

4
68,310; as a trademark for whisky, and prior to the expiration of said registration, and on or about December 7, 1948, said trademark was republished under Section 12c of the Trademark Act of 1946 (Act of July 5, 1946). Attached hereto; marked Exhibit 1 and made part hereof, is a true copy of said Trademark Registration No. 68,310. Said Registration No. 68,310 became incontestable under the provisions of Section 15 of said Act of July 5, 1946, on April 20, 1954.

12. On January 4, 1911, Buchanan filed a Trademark Claim consisting of the words "Black & White" with the Secretary of State of the State of California, who, upon this filing, then issued a certificate of registration covering said trademark, numbered 4137, which has ever since remained of record and in effect. Attached hereto, marked Exhibit 2 and made part hereof, is a true copy of said certificate.

[fol. 7] 13. Buchanan's "Black & White" whisky has been and is now extensively sold throughout the world including the United States. During the period from the repeal of prohibition through 1957 alone, nearly 114 million bottles of said "Black & White" whisky have been imported into and sold in the United States, of which nearly 106 million bottles have been imported and sold by plaintiff, much of which has been sold in the State of California, and additional quantities have continued to be sold and are now being sold.

14. Buchanan's "Black & White" whisky has been continuously and extensively advertised throughout the United States for many years through various media, including newspapers, periodical publications, outdoor advertisements, and signs used within retail stores. During the period from April 1, 1949 through March 31, 1957 alone more than 5 million dollars were spent advertising said alcoholic beverage, and additional sums have continued to be spent and are now being spent. Said advertisements

have identified said alcoholic beverage as "Black & White," and have prominently featured the name "Black & White."

15. For many years last past, the name "Black & White" on an alcoholic beverage has been and is synonymous with, and did and does mean, the product of Buchanan, in the mind of the public and of people in the alcoholic beverage industry.

[fol. 8] 16. By virtue of its authorized distributorship of Buchanan's whisky in the United States, plaintiff has an interest in preventing use by others of the name and trademark "Black & White" for alcoholic beverages not of the merchandise of Buchanan.

17. Defendant Maier has been and is engaged in the business of manufacturing, packaging, distributing and selling alcoholic beverages, in particular beer. Since sometime in the latter half of 1956 defendant Maier has been labeling and selling beer under the name "Black & White."

18. Defendant Ralphs has been and is engaged in the retail grocery business and has been and is purchasing from defendant Maier beer labelled "Black & White" and reselling it at retail.

19. Defendants' use of the name and label "Black & White" constitutes an infringement of Buchanan's trademark, dilutes Buchanan's trademark rights and its valuable good will and injures plaintiff, and, if continued, will tend to dissociate said trademark in the public mind from Buchanan and injure plaintiff as the authorized importer and distributor in the United States.

20. Defendants' use of the name and label "Black & White" on alcoholic beverages is likely, and its natural consequence is, to enable defendants to profit from the reputation and good will of Buchanan and of plaintiff as said distributor.

[fol. 9] 21. Defendants' use of the name and label "Black & White" on alcoholic beverages is likely, and its natural

consequence is, to deceive the public into believing that said alcoholic beverages originate with, or have some connection with, Buchanan and plaintiff as Buchanan's authorized distributor in the United States, and to lead the purchasing public into the erroneous belief that defendants' beverages are in some manner sponsored by Buchanan, or to usurp the fame and renown created by Buchanan for its product as hereinabove set forth.

22. Defendants' use of the name "Black & White" coming to the attention of plaintiff, plaintiff notified Buchanan, and on or about December 23, 1957, Buchanan gave notice by registered letter to defendant Maier, and on or about May 1, 1958 to defendant Ralphs, informing them that they were infringing Buchanan's trademark and were committing unfair competition, and demanding that defendants cease using the name "Black & White" on beer. Attached hereto, marked Exhibit 3(a) and (b), are copies of said letters. Notwithstanding said notice and request for discontinuance, defendants have declined and refused to discontinue use of said name "Black & White" and have continued to and do now sell beer under said name and label.

Wherefore, plaintiff prays:

1. For a preliminary injunction pending this suit and for a final injunction directed to the defendants, their officers, agents, servants, employees, attorneys and other persons in active concert or participation with them,

(a) enjoining and restraining said defendants and other persons, and each of them, from packaging, and from causing to be packaged, any alcoholic beverage labeled or named with the words "Black & White"; and from distributing, selling or offering for sale, and from causing to be distributed, sold, or offered for sale any alcoholic beverage labeled or named with the words "Black & White" not blended and bottled by Buchanan;

(b) commanding said defendants and other persons, and each of them, to remove from the possession of all whole-

salers, distributors and retailers all alcoholic beverages labeled or named with the words "Black & White" heretofore placed on the market by defendants or any of them, and to remove from containers so labeled any alcoholic beverages heretofore placed or caused to be placed in them by defendants or any of them.

2. For an order commanding that defendants deliver up and destroy every can, case, bottle or other container now or hereafter in the possession of defendants or either of them that bears the label or name, or labeled or named with the words "Black & White."

3. For an accounting to the plaintiff by defendants of profits from the manufacturing, bottling, canning, distributing or selling of alcoholic beverages labeled or named [fol. 11] with the words "Black & White," and for judgment for the amount of said profits and, if the amount of recovery based on profits is inadequate, for such further sum as this Court shall find to be just, according to the circumstances of the case.

4. For judgment against defendants for three times the damages sustained by plaintiff, and for plaintiff's expenses incurred in this litigation stemming from defendants' wilful conduct, including attorneys' fees, and for plaintiff's costs of suit herein incurred.

5. For such other and further relief as to this Court may seem equitable.

Moses Lasky, Brobeck, Phleger & Harrison, Attorneys for Plaintiff.

[Note: Exhibit No. 1 is set out in the Book of Exhibits as Plaintiff's Exhibit No. 8.]

[Note: Exhibit No. 2 is set out in the Book of Exhibits as page one of Plaintiff's Exhibit No. 7.]

[fol. 12]

EXHIBIT 3-a TO COMPLAINT

December 23, 1957.

**Maier Brewing Co., Inc.,
500 E. Commercial Street,
Los Angeles 12, California.**

Gentlemen:

We represent James Buchanan & Co., Ltd., who now, and for many years past, have produced and distributed Scotch whisky under the name "Black & White."

We understand that you have recently commenced packaging and distributing beer in cans under the same name, "Black & White."

This name "Black & White" has been used continuously by our client and its predecessor since January 1899. It was registered as a trademark with the United States Patent Office on March 24, 1908 by Registration No. 68,310, and with the Secretary of State of California on January 4, 1911 by Registration No. 4137.

As you will appreciate, for many years very large expenditures have been made in advertising "Black & White" whisky, it is a highly regarded brand, and our client is most sensitive about infringing uses which impair or dilute the distinctiveness of that name. We have advised that your use of this name constitutes a trademark infringement. [fol. 13] and unfair competition under both federal and California law and a disregard of Section 17,500 of the California Business and Professions Code.

On behalf of our client we ask you to discontinue using the name "Black & White" and to discontinue selling or offering for sale any beer so labeled.

We shall appreciate your advising us of your intentions. Anticipating that you understand our client's position and

will recognize its justness, we are refraining for the time being from writing to Ralph's Grocery Company requesting it to discontinue handling beer under the "Black & White" name, as we would prefer not to trouble your customer if it can be avoided.

Very truly yours,

BROBECK, PHLEGER & HARRISON,

By

Moses Lasky

ML:MS

[fol. 14]

EXHIBIT 3-b TO COMPLAINT

May 1, 1958.

Ralphs Grocery Company (Inc.),
3410 West Third Street,
Los Angeles 5, California.

Gentlemen:

We represent James Buchanan & Company, Limited, who now and for many years past have produced and distributed whisky under the name "Black & White."

We understand that for some time you have been purchasing from Maier Brewing Company, Inc., sometimes known as "A.B.C. Brewing Co.," and have been reselling throughout your stores, a beer under the name "Black & White." On December 23, 1957, we wrote the following letter to Maier Brewing Company:

"We represent James Buchanan & Co., Ltd., who now, and for many years past, have produced and distributed Scotch whisky under the name 'Black & White.'

"We understand that you have recently commenced packaging and distributing beer in cans under the same name, 'Black & White.'

"This name 'Black & White' has been used continuously by our client and its predecessor since January 1899. It [fol. 15] was registered as a trademark with the United States Patent Office on March 24, 1908 by Registration No. 68,310, and with the Secretary of State of California on January 4, 1911 by Registration No. 4137.

"As you will appreciate, for many years, very large expenditures have been made in advertising 'Black & White' whisky, it is a highly regarded brand, and our client is most sensitive about infringing uses which impair or dilute the distinctiveness of that name. We have advised that your use of this name constitutes a trademark infringement and unfair competition under both federal and California law and a disregard of Section 17,500 of the California Business and Professions Code.

"On behalf of our client we ask you to discontinue using the name 'Black & White' and to discontinue selling or offering for sale any beer so labeled.

"We shall appreciate your advising us of your intentions. Anticipating that you understand our client's position and will recognize its justness, we are refraining for the time being from writing to Ralph's Grocery Company requesting it to discontinue handling beer under the 'Black & White' name, as we would prefer not to trouble your customer if it can be avoided."

[fol. 16] Maier Brewing Company has declined to discontinue selling or offering beer under the name "Black & White," and we are preparing to institute suit against Maier. Your handling of the beer under the name "Black & White" is subject to the same criticisms as Maier Brewing Company's selling beer under that name. We therefore request your assurance that you will immediately discontinue sale of Black & White beer and will not in the future sell any alcoholic beverage not of the merchandise of James Buchanan & Co. Ltd. under the trademark "Black & White."

Since we shall be instituting suit promptly and will join you as a defendant in the absence of the requested written assurance, we ask that you reply within two weeks.

Very truly yours,

BROBECK, PHLEGER & HARRISON,

By

Moses Lasky

ML:MS

[fol. 17]

IN UNITED STATES DISTRICT COURT

ANSWER AND COUNTERCLAIM—Filed August 18, 1958

Comes Now Defendants above named and for answer to the Complaint For Trademark Infringement And Unfair Competition admit, deny and allege as follows: .

I.

Answering paragraph 1 of the Complaint, defendants admit that this action is between citizens of different states, but deny that the matter in controversy exceeds the sum or value of \$3,000.00, exclusive of interest and costs. Defendants further deny that this action arises under the Acts of Congress relating to trademarks, particularly the Act of February 20, 1905, 60 Stat. 444, 15 U.S.C. 81-134, and the Act of July 5, 1946, 60 Stat. 427, 15 U.S.C. 1051-1127.

II.

Answering paragraph 2 of the Complaint, defendants are without knowledge as to the truth or falsity of the allegations therein contained and on that ground, both generally and specifically, deny the allegations thereof.

III.

Answering paragraph 3 of the Complaint, defendants admit the allegations thereof.

IV.

Answering paragraph 4 of the Complaint, defendants admit the allegations thereof.

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[fol. 57]

IN UNITED STATES DISTRICT COURT

MEMORANDUM OPINION AND ORDER—August 28, 1961

This is a suit brought by plaintiff, The Fleischmann Distilling Corporation, hereafter called Fleischmann, and plaintiff in intervention, James Buchanan & Company Limited, hereafter called Buchanan, against defendant Maier Brewing Company, hereafter called Maier, and defendant Ralphs Grocery Company, hereafter called Ralphs. Plaintiffs seek injunctive relief and damages from defendants based upon their alleged infringement of the trademark "Black & White" which is registered under both federal and California laws and because defendants' use of the name on their beer constitutes unfair competition.

There is no basic dispute as to the facts, most of which have been admitted in the pleadings, by stipulations, by discovery or by uncontradicted testimony. Buchanan and its predecessor have blended and sold Scotch whisky under the name "Black & White" since before the turn of the century and have marketed their product in the United States for more than fifty years. Since 1938, Fleischmann has been the sole importer of Black & White, which has been registered since the first decade of the century. It is the leader among Scotch whiskies. Its sales have exceeded a million bottles during the tenure of Fleischmann and more than 500,000 cases in the six year period 1951-1957 in [fol. 58] California, more than half of which were sold in Los Angeles County where Ralphs does business.

Advertising expenditures on the part of plaintiffs during the last mentioned period exceeded five million dollars thus contributing to the fame of the name, "Black & White," which has been the subject of a history book (Plaintiff's

Ex. 9). In the alcoholic beverage industry the name "Black & White" has come to mean Scotch whisky, as testified to by Baumgarten.

Defendant Maier brews and sells beer including "private brands" which are offered under numerous names to supermarkets and other customers. In June 1956, Maier commenced the use of the name "Black & White" in connection with beer sold by defendant Ralphs in Los Angeles, where it has some thirty-two outlets. The name had previously been used for beer by the St. Claire Brewing Co. of San Jose in 1935 and had been abandoned in 1938. Maier learned of such use and abandonment through Mr. Mosiman who had been a salesman for St. Claire Brewing Co. before going to work for Maier.

Defendant Maier, who had admittedly heard of plaintiffs' product when the name "Black & White" was selected as a label for beer, chose to revive the nomenclature because the two products were distinct and their use should not create confusion among the buying public. This is the background which plaintiffs ask this Court to enjoin defendants from [fol. 59] further use of the name "Black & White" on beer, which is an alcoholic beverage.

It is to be noted at the outset that plaintiffs enjoy a trademark on both the name "Black & White" and the Scottie dogs which are pictured on Scotch whisky. The words appear on the label on the front of the bottle; the dogs with the words appear on the back of the bottle. As testified to by Mr. Baumgarten, Vice-President of Fleischmann, the words are associated with the two Scottie dogs in advertising. In contrast, defendants market a beer which uses the words only and abstains from use of the dogs. Thus, to the extent defendants refrain from combining the picture of the Scotties with the use of "Black & White," they are avoiding an infringement of the combination mark. *Sunbeam Furniture Corp. v. Sunbeam Corp.*, 191 F2d 141 (9th).

The name "Black & White" has been used for many beverages including coffee, ginger ale, malt syrup, fruit

juices and grape juice which have been registered in the United States Patent Office. The mark has also been registered in California for several of these beverages as well as cocoa, tomato juice and beer. Finally, it has been used by liquor stores themselves.

Defendants contend that under the circumstances of this case, *Arrow Distilleries v. Globe Brewing Co.*, 117 F.2d 351 and *Century Distilling Co. v. Ph. Schneider Brewing Co.*, 26 F. Supp. 936 (Aff. 107 F.2d 699) are controlling and that the use of "Black & White" for beer is a proper one [fol. 60] and not subject to an injunction. They point out—and are supported by the record—that there is no evidence of confusion between plaintiffs' and defendants' products nor belief among customers that Black & White beer is manufactured by Buchanan. They observe that plaintiffs have not been damaged nor are they likely to be in the future. Under the circumstances they ask this Court to rule in accordance with the decisions in the *Arrow* and *Century* cases and deny the relief which plaintiffs' seek.

Both of the cases relied upon by defendants hold that use of the same mark on beer and hard liquor is proper and does not give rise to an infringement action. In the *Arrow* case, cordials or liqueurs, which are distilled, were the opponents of beer; in the *Century* case, as in the present litigation, whisky and beer were involved. Since the court found that defendant was not attempting to palm off his beer as plaintiff's goods and was not guilty of engaging in deception of the buyer, relief was denied. In like manner, defendants have made no effort to suggest that Black & White beer is produced by Buchanan nor have they been guilty of practicing deception. In good faith they sought to acquire title to the name from St. Claire Brewing. During the past several years they have built up a limited market for their product in the Los Angeles area.

There is no real competition between plaintiffs and defendants. *Sunbeam Furniture*, supra. Nor would the labels, which are distinct, tend to deceive an ordinary buyer or [fol. 61] confuse him (*Sleeper Lounge Company v. Bell*

Manufacturing Co., 253 F.2d 720.) The very fact that there is no real competition between the products is evidence that there is unlikely to be confusion in the mind of a buyer.

While there is an apparent conflict in the decisions, there is authority for defendants' position that whisky and beer are sufficiently distinct so as to permit use of the same name on the two products. In addition to the Arrow and Century cases, *supra*, the following holdings buttress defendants: *Burger Brewing v. Maloney-Davidson Co.*, 86 F.2d 815 (beer and malt syrup); *Atlas Beverage v. Minneapolis Brewing Co.*, 113 F.2d 672 (beer and whisky); *Englander v. McKesson-Roeber-Kuebler*, 185 Atl. 817 (N.J.—gin vs. wines and cordials).

As stated above, "Black & White" are common words which have been used on many products over a long period of time. While plaintiffs' advertising has made its whisky well known, the mark has been diluted through its diverse uses over the years. The trade word has not become so descriptive of a single product that the producer of that article is entitled to full protection against a product as distinct as beer is from whisky. See *Mershon Co. v. Pachmayr*, 220 F.2d 879. The fact that there have been thirty-two registrations in the United States Patent Office and five trade mark registrations in California of the words "Black & White" cannot be ignored by the Court.

[fol. 62] Plaintiffs argue that the line must be drawn between the legitimate and the illegitimate use of the name on products which are marketed on a potentially competitive basis. They contend that this is the place to draw such a line in view of the fact that both products are alcoholic beverages. The answer to this contention is found in the test laid down by Judge Barnes of this circuit in the *Sleeper Lounge Company v. Bell Manufacturing Co.*, *supra*, at page 722, when he asked the crucial questions: "Is there any likelihood of confusion or mistake in such use? Would the ordinary purchaser, buying with ordinary caution, be misled? . . ." Since both answers must be in the negative in the light of the evidence before the Court, plaintiffs

have failed to make out a case which entitles them to the relief which they ask.¹

Plaintiffs' own witness in testifying as to the scope of the trademark "Black & White" and the use of the Scotty dogs, conceded that defendants' label was distinct and very candidly admitted that only two isolated instances occurred when his company was asked when it had started to make beer.² In sales, there was no evidence of confusion nor loss of sales of Scotch whisky.

[fol. 63] Under the facts of this case, defendants are entitled to judgment; and plaintiffs must be denied the relief they seek.

Accordingly, It Is Ordered that plaintiffs' prayer for an injunction and damages be, and the same hereby is, Denied. Defendants shall prepare findings of fact, conclusions of law and decree.

Dated: August 28, 1961.

Geo. B. Harris, U. S. District Judge.

¹ Lack of confusion on the part of the buying public distinguish the principal case from *Stork Restaurant v. Sahati* (9th, 166 F.2d 348), cited by plaintiffs.

² "Q. Now, is it your contention, Mr. Baumgarten, that a customer would be confused in buying a can of Black and White beer put out by the Maier people that he was getting a product of Buchanan's?"

A. No. The only two very isolated instances, I was asked in Southern California by people who were in the business, "When did you people start making beer?" And that is, as I said, only a couple of instances that that has happened. No, my answer is no to your question.

Q. You don't believe there would be any confusion in a customer's mind that they were buying a beer made in Great Britain?

A. I wouldn't think so, no." (pp. 9-10)

[fol. 84]

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SOUTHERN DIVISION

No. 37,340

THE FLEISCHMANN DISTILLING CORP., a corporation,
Plaintiff,

vs.

MAIER BREWING COMPANY, a corporation, and
RALPHS GROCERY CO., a corporation, Defendants.

Proceedings of Trial—March 1, 1961

Before: Hon. George B. Harris, Judge.

Appearances:

For the Plaintiff: Messrs. Brobeck, Phleger & Harrison,
by Bailey Lang, Esq.

For the Defendants: Messrs. Mellin, Hanscom & Hursh,
by Oscar A. Mellin, Esq. *Pick up note and page numbers.

Wednesday, March 1, 1961—10:00 o'clock, A. M.

The Clerk: Fleischmann Brewing Company vs. Maier
Brewing Company, on trial.

Mr. Lang: Ready for the plaintiff.

Mr. Mellin: Ready for the defendants, Your Honor.

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* Page numbers appearing at top of page of Proceedings of Trial.

[fol. 145] CHRIS WASEM called as a witness by the defendants, being first duly sworn, testified as follows:

The Clerk: Please state your name, your address and your occupation to the Court.

The Witness: Chris—C-h-r-i-s—Wasem—W-a-s-e-m, 500 East Commercial Street, Los Angeles. I am vice-president in charge of sales for Maier Brewing Company.

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[fol. 167] Cross examination.

By Mr. Lang:

Q. Mr. Wasem, the exchange of correspondence between Mr. Chotiner and Mr. Thody which has been introduced as Defendants' Exhibits H and I makes some reference to an offer by Maier Brewing to sell its interest in the Black & White label to Mr. Molner. Was such an offer in fact made?

A. As I recall, and I think Mr. Mellin has it in his file, a copy of our termination notice to Molner, in which we included in the notice to Molner that he had the option to buy our rights to the use of Black & White for beer.

Q. Did you put a price tag on it?

A. I don't recall. I didn't handle that particular correspondence.

Mr. Lang: Do you have this letter, Mr. Mellin?

Mr. Mellin: Yes, I have it.

By Mr. Lang:

Q. We show you a copy of letter dated August 19, 1959, from Mr. Thody to Mr. Chotiner. I ask you to glance that over and see if that refreshes your recollection on the pro-[fol. 168] posal that Maier made to sell the interest they had in the Black & White label.

A. Well, it refreshes my recollection in this respect, that I have seen a copy of this, or rather, seen this copy of the letter before. I did not have any—this was not in my juris-

diction, the handling of this matter between—the Molner matter between our attorney, Thody, and so on.

Q. Mr. Thody was your attorney?

A. Oh, yes.

Q. And you have seen this letter and you know that he notified Mr. Chotiner—

A. Oh, yes.

Q. —you would sell the label for \$127,000 cash?

A. Yes, sir.

Mr. Lang: May I offer this in evidence?

(Letter dated 8/19/59, Thody to Chotiner was received in evidence as plaintiff's Exhibit 11.)

[fol. 197]

IN THE UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

No. 17,696

37340—Civil

THE FLEISCHMANN DISTILLING CORP.,
a corp., etc., Appellants,

VS.

MAIER BREWING COMPANY, a corp., Appellees.

JUDGMENT FILED AND ENTERED—February 12, 1963

Appeal from the United States District Court for the Northern District of California, Southern Division.

This Cause came on to be heard on the Transcript of the Record from the United States District Court for the Northern District of California, Southern Division and was duly submitted.

On Consideration Whereof, It is now here ordered and adjudged by this Court, that the judgment of the said District Court in this Cause be, and hereby is reversed with costs in favor of the appellants and against the appellees, and the cause is remanded to the District Court with directions to enter judgment in accordance with the opinion of this Court. The question of plaintiffs' right to an accounting, not having been dealt with on the previous trial, remains for decision by the District Court.

It is further ordered and adjudged that appellants recover against appellees for their costs herein expended and have execution therefor.

A True Copy: Attest: July 15, 1963, Frank H. Schmid, Clerk.

For costs allowed see reverse side of judgment.

Filed and entered February 12, 1963.

[fol. 198]

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SOUTHERN DIVISION

Civil Action No. 37340

THE FLEISCHMANN DISTILLING CORPORATION,
a corporation, Plaintiff,

vs.

MAIER BREWING COMPANY, a corporation, and RALPHS
GROCERY COMPANY, a corporation, Defendants.

JAMES BUCHANAN & COMPANY LIMITED,
Plaintiff in Intervention,

vs.

MAIER BREWING COMPANY, a corporation, and RALPHS
GROCERY COMPANY, a corporation, Defendants in Inter-
vention.

NOTICE OF MOTION FOR ENTRY OF JUDGMENT—
Filed August 1, 1963

To defendants above named, and to their attorney Mur-
ray M. Chotiner, Esquire:

Please Take Notice that on Thursday, August 8, 1963,
at 10:00 A.M. or as soon thereafter as counsel can be heard,
[fol. 199] in the Courtroom of Honorable George B. Harris,
Chief Judge, United States Post Office Building, Seventh
and Mission Streets, San Francisco, California, plaintiffs
The Fleischmann Distilling Corporation and James Bu-

[File endorsement omitted]

chanan & Company Limited will move the Court for the entry of judgment in the form attached hereto.

The motion will be based upon all the pleadings, papers, files and evidence in the cause, including the certified copy of the opinion and judgment of the United States Court of Appeals on file herein, and will be made on the ground that the Court of Appeals has directed the entry of judgment in accordance with its said opinion.

∴ Dated: August 1, 1963.

Moses Lasky, Richard Haas, Brobeck, Phleger &
Harrison, Attorneys for Plaintiffs.

Certificate of Service (omitted in printing).

[fol. 200]

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

Civil Action No. 37,340

Before: Hon. George B. Harris.

THE FLEISCHMANN DISTILLING CORPORATION,
a corporation, Plaintiff,

vs.

MAIER BREWING COMPANY, a corporation, and RALPHS
GROCERY Co., a corporation, Defendants.

JAMES BUCHANAN & COMPANY, LIMITED,
Plaintiff in Intervention,

vs.

MAIER BREWING COMPANY, a corporation, and RALPHS
GROCERY COMPANY, a corporation, Defendants in Inter-
vention.

Reporter's Transcript—August 16, 1963

MOTION FOR ENTRY OF JUDGMENT

APPEARANCES:

For Plaintiffs:

Messrs. Brobeck, Phleger & Harrison, represented by
Moses Lasky, Esq., & Richard Haas, Esq., 111 Sutter Street,
San Francisco, Cal.

For Defendants:

Murray M. Chotiner, Esq., 600 Fox Wilshire Bldg., 202
So. Hamilton Drive, Beverley Hills, Calif.

[fol. 201]

Proceedings

The Clerk: Fleischmann Distilling Corporation versus Maier Brewing Company and others. Motion for entry of judgment.

Mr. Lasky: Ready for the plaintiff, Your Honor.

Mr. Chotiner: Ready for the defendants, Your Honor.

Mr. Lasky: If the Court please, this case is now here after proceedings in the Court of Appeals. Apparently the Appellate Court did not see eye to eye with Your Honor.

The Court: It is a far cry from eye to eye. I thought the Appellate Court departed completely from the transcript, based inference upon inference, presumption upon presumption and wrote its own facts. That is my conclusion. I say that quite respectfully, of course.

Mr. Lasky: Yes, of course.

Since I have had considerable responsibility to persuade the Court of Appeals—

The Court: You are most persuasive, my dear friend. You have been over the years.

Mr. Lasky: As pointed out in the Memorandum which we filed day before yesterday, the opinion of the Court is part of its mandate. So we are here for the entry of the judgment in accordance with what we believe the opinion was and every part of the judgment I think accords with that opinion. Counsel for the defendants has filed some [fol. 202] objections. Our own memorandum sought to respond to them.

Now, the last paragraph, I believe, of our proposed judgment was an order to show cause, simply to set a hearing date, at which time we could present to the Court the question of our right to an accounting and to a determination of the question whether we should get attorney's fees.

Counsel for the defendants has seen fit to file in his brief a discussion of the merits of that. I promised him that I would submit a complete memorandum on that subject. I have it here. I have already served it on counsel. If he

has had a chance to read it, I would like to submit it. It is fairly extensive. I had not anticipated we would reach that question this morning but I am prepared to argue it.

Now, as to the question of how much profits we get, if the Court wanted, could only be determined if, as and when an accounting has been ordered and completed. The question of how much attorney's fees would be awarded would require, first, Your Honor to decide whether we are entitled to attorney's fees. Once you decide, we would put on appropriate evidence as to how much. But that question seems not to be one that would ordinarily come on this morning unless Your Honor wanted to hear it.

The Court: I prefer to read the briefs.

Mr. Lasky: Yes. I am prepared at this moment to rest and hear what objections Counsel has, because I think our [fol. 203] judgment is in accord with the mandate.

[fol. 204] Mr. Lasky: I am going to make my comments exceedingly short because we have, really, discussed it at length in the brief.

I realize the situation, that the decision of the Court of Appeals is completely inconsistent with Your Honor's view of the case. We all realize that the mandate is controlling and Your Honor has to put yourself in that posture, and I know the Court will.

Now, Counsel has suggested that somehow on rehearing the Court of Appeals gave an opinion from which he can draw comfort. Quite the contrary. The Court of Appeals concluded its opinion by saying that since the case in this court stopped when Your Honor came to the conclusion that there was no infringement and Your Honor thereupon dismissed the case the court here had not had an opportunity to take the next step which normally occurs in one of these trials. As Your Honor knows, in a patent or trademark case the issues—you try them in sections. The first section is, has there been infringement. If you decide no, you don't take the next step. If you decide yes, then the

next step is, what relief in addition to the injunction do you grant. We never reached that next section in this case in view of Your Honor's conclusion. The Court of Appeals [fol. 205] therefore said this next section is the step that will have to be taken and it is a step that will have to be taken in the first instance by the District Court. It did not say that it was something that the District Court could decide any way it wishes. The Court will decide it upon the facts and the law, and if you are correct, you are correct, and if you are incorrect, it is subject to review.

They say, therefore, it will be remanded for further steps in accordance with this opinion and for a determination for a right to an accounting.

Counsel steps into this case for the first time, files a petition for rehearing and says there should be no accounting because the plaintiffs said before Judge Harris that it had no evidence of damage.

Well, of course, my partner, Mr. Bailey Lang, tried this case and as I see the record he said he was not going to offer any evidence that we had lost sales. But the Court of Appeals replied to that and said damage is a different question entirely under the law; you are entitled either to damages and profits, one or the other. They rejected the petition for rehearing and reaffirmed that statement. There is a difference between damage and a right to profits.

As for Counsel's statement about a new trial, he asked the Court of Appeals not to remand this case with direction to enter a judgment for plaintiffs but for a new trial and [fol. 206] the Court denied that.

So I simply submit at this time that if you read what the Court said upon its order denying rehearing, you will find it was not helpful to the plaintiffs, but quite the contrary.

There is one more thing I want to say. I have additional evidence. I have evidence upon the willfulness of the violation which in my belief will show that the defendants violated an opinion of their own counsel. That was not offered at the trial. It was not offered because it seemed

to me in talking to my partner that it would be improper to offer it. The question at that time was whether there was any infringement. Whether there was an infringement or not would not depend upon what Counsel told his client and whether the client followed his advice. But if the question of willfulness has not been put to rest by the decision of the Court of Appeals, I do have evidence upon that issue because I had correspondence and negotiations before we ever brought suit.

Let me say upon the question of right to attorney's fees and the right to an accounting—I am going to boil down into two statements what I apprehend the law is and, then, leave it to the brief to substantiate my summation.

There is no circuit where the rule has been more definitely settled than the 9th Circuit. It has been settled in good part in the Wolfe vs. National Lead case which is, of course, a case similar to this. Judge Murphy decided [fol. 207] against the claim of infringement but was reversed.

[fol. 208]

IN THE UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SOUTHERN DIVISION

Civil Action No. 37340

THE FLEISCHMANN DISTILLING CORPORATION,
a corporation, Plaintiff,

vs.

MAIER BREWING COMPANY, a Corporation, and
RALPHS GROCERY COMPANY, a corporation, Defendants.

JAMES BUCHANAN & COMPANY LIMITED,
Plaintiff in Intervention,

vs.

MAIER BREWING COMPANY, a corporation, and RALPHS GROCERY COMPANY, a corporation, Defendants in Intervention.

JUDGMENT—January 21, 1964

The judgment of the United States Court of Appeals for the Ninth Circuit on the appeal of the plaintiffs heretofore taken in the above entitled cause having been transmitted to the Clerk of this Court and filed herein, and the [fol. 209] same having been brought to the attention of the Court, in compliance therewith, and in accordance with the decision* and findings therein.

* Fleischmann Distilling Corp. v. Maier Brewing Company, 314 F.2d 149.

[File endorsement omitted]

It Is Hereby Ordered, Adjudged and Decreed as follows:

1. The judgment of this Court filed herein on October 6, 1961 and entered herein on October 9, 1961 is hereby vacated.

2. Plaintiff James Buchanan & Company Limited (hereafter sometimes called "Buchanan") is the owner of the registered trademark "Black & White" for Scotch whisky, and said trademark is valid both at common law and under the applicable federal acts. Plaintiff The Fleischmann Distilling Corporation is the sole importer of "Black & White" Scotch whisky in the United States and as such has an interest in said trademark sufficient to enable it to maintain this action for its protection.

3. The use of the name "Black & White" on beer by defendants Maier Brewing Company (hereafter sometimes called "Maier") and Ralphs Grocery Company is plainly likely to cause confusion or mistake or to deceive purchasers as to the source of origin. Without seeking legal advice, and for the purpose of capitalizing upon the popularity of the name thus chosen, defendant Maier deliberately adopted the name "Black & White" knowing that "Black & White" was the name and trademark of plaintiff Buchanan, and knowing that this popularity would extend to its product because the public would associate the name "Black & White" with the long established reliability and meritoriousness of Buchanan's product. Defendants intended to adopt plaintiff Buchanan's "Black & White" name or mark for the purpose of taking advantage of the aura of [fol. 210] good will which surrounded the name, and they deliberately adopted the name with a view to obtaining advantage from the good will, good name and good trade which Buchanan had built up and expecting that there would be confusion and resultant profit. Defendants refused to discontinue their use on beer of the name "Black & White" upon request made before suit filed, and they have knowingly, wilfully and deliberately infringed the said mark "Black & White" and plaintiffs' rights therein.

4. Defendants and each of them, and each of the officers, agents, servants, employees and attorneys of each of them, and all persons in active concert or participation with them or with any of them, are hereby permanently and perpetually enjoined and restrained from packaging, and from causing to be packaged, any alcoholic beverage labeled or named with the words "Black & White", and from distributing, selling or offering for sale, and from causing to be distributed, sold, or offered for sale any alcoholic beverage labeled or named with the words "Black & White" not blended and bottled by plaintiff Buchanan.

5. Defendants and each of them, and each of the officers, agents, servants, employees and attorneys of each of them, and all persons in active concert or participation with them or with any of them, are hereby commanded to remove from the possession of all wholesalers, distributors and retailers all alcoholic beverages labeled or named with the words "Black & White" heretofore placed on the market by defendants or either of them, and to remove from containers so labeled any alcoholic beverages heretofore placed or caused to be placed in them by defendants or either of them, [fol. 211] and to deliver up and destroy every can, case, bottle or other container now or hereafter in the possession of defendants or either of them that bears the label or name, or labeled or named with the words "Black & White."

6. Each of the defendants shall, within fifteen days after service of this judgment on them, file with the Court and serve upon plaintiffs a report in writing under oath setting forth in detail the manner and form in which, and the date or dates when, each of them has complied with this judgment.

7. Plaintiffs shall have and recover against defendants and each of them the costs awarded plaintiffs by the United States Court of Appeals for the Ninth Circuit in the sum of \$1,222.16, together with plaintiffs' cost in this Court up to and including the date of entry of this judgment in the sum of \$253.09, to be taxed by the Clerk.

8. Defendant Maier is entitled to no relief under and by virtue of its counterclaim herein other than the declaration of rights contained in this judgment, and defendant Maier shall have and recover nothing by virtue of such counterclaim.

9. Plaintiffs are entitled to recover from defendants a reasonable amount for attorney's fees and litigation expenses incurred in this suit in this Court, the United States Court of Appeals for the Ninth Circuit, and the United States Supreme Court, and a hearing will be held by the Court on Thursday, the 20th of February, 1964, at the hour of 10:30 a.m., to determine the amount.

[fol. 212] 10. An accounting of defendants' profits shall be had with all convenient speed. In connection with said accounting, defendants are ordered to allow plaintiffs and their representatives to inspect and make copies of any and all records, books of account, invoices, income tax returns relating to defendants' respective businesses, and documents and books showing defendants' respective sales and profits.

11. The Court reserves for further consideration the matter of appointing a Special Master, all questions pertaining to the amounts of profits, to costs hereafter accruing, and the matter of further proceedings herein.

Dated: January 21, 1964.

George B. Harris, United States District Judge.

[fol. 213]

IN THE UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SOUTHERN DIVISION

Civil Action No. 37340

THE FLEISCHMANN DISTILLING CORPORATION,
a corporation, Plaintiff,

VS.

MAIER BREWING COMPANY, a Corporation, and
RALPHS GROCERY COMPANY, a corporation, Defendants.

JAMES BUCHANAN & COMPANY LIMITED,
Plaintiff in Intervention,

VS.

MAIER BREWING COMPANY, a corporation, and RALPHS GROCERY COMPANY, a corporation, Defendants in Intervention.

REPORT OF DEFENDANTS PURSUANT TO JUDGMENT—
Filed April 2, 1964

Come now the defendants, Maier Brewing Company, a corporation, and Ralphs Grocery Company, a corporation, and submit their report, attached hereto, as required in Paragraph 6 of the judgment of the above entitled Court rendered on January 21, 1964.

Dated: March 26, 1964.

Murray M. Chotiner, Attorney for Defendants.

[File endorsement omitted]

[fol. 214]

REPORT OF MAIER BREWING COMPANY

State of California,
County of Los Angeles, ss.

Paul Kalmanovitz being first duly sworn, deposes and says:

1. That he is the President of Maier Brewing Company, a corporation.
2. That the last shipment of beer by Maier Brewing Company under the "Black & White" label to Ralphs Grocery Company was made on April 3, 1963.
3. That after said shipment was made to Ralphs Grocery Company, Maier Brewing Company did not have on hand any alcoholic beverages labeled or named with the words "Black & White" or any cans, cases, bottles or other containers bearing the label or name "Black & White," and has not acquired, or had in its possession, any of said items since that time.

Paul Kalmanovitz

Subscribed and sworn to before me this 30th day of March, 1964.

Evelyn Wolf, Notary Public in and for the County of Los Angeles, State of California.

Evelyn Wolf, My Commission Expires September 11, 1965.

[fol. 215]

REPORT OF RALPHS GROCERY COMPANY

State of California,
County of Los Angeles, ss.

Albert Ralphs, Jr. being first duly sworn, deposes and says:

1. That he is the President of Ralphs Grocery Company, a corporation.

2. That the last shipment of beer under the "Black and White" label by Ralphs Grocery Company from its warehouse to its retail stores was on April 23, 1963.

3. That after said shipment was made, Ralphs Grocery Company did not have on hand in its warehouse any alcoholic beverages labeled or named with the words "Black and White" or any cans, cases, bottles or other containers bearing the label or name "Black and White" and has not acquired or had in its warehouse any of said items since that time.

4. That it takes approximately 10 days for the retail stores to dispose of shipments made to them.

Albert Ralphs, Jr.

Subscribed and sworn to before me this 30th day of March, 1964.

Pearl Roth, Notary Public in and for the County of Los Angeles, State of California.

Pearl Roth, My Commission Expires August 12, 1966.

[fol. 216]

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

No. 37,340

Before: Hon. George B. Harris, Judge.

THE FLEISCHMANN DISTILLING CORPORATION,
a corporation, Plaintiff,

—v.—

MAIER BREWING COMPANY, a corporation, and RALPHS
GROCERY COMPANY, a corporation, Defendants.

JAMES BUCHANAN & COMPANY, Plaintiff in Intervention,

—v.—

MAIER BREWING COMPANY, a corporation, and RALPHS
GROCERY COMPANY, a corporation, Defendants in Inter-
vention.

Transcript of Proceedings on Motion for Attorney's Fees
and Costs—April 23, 1964

APPEARANCES:

For the Plaintiff:

Messrs. Brobeck, Phleger & Harrison, By: Moses Lasky,
Esq., and Richard Haas, Esq.

For the Defendants:

Murray M. Chotiner, Esq.

[fol. 217]

Morning Session

Thursday, April 23, 1964
10:00 O'Clock

The Clerk: Fleischmann Distilling Corporation versus Maier Brewing Company and so forth, motion for attorney's fees and costs.

Mr. Haas: Ready for the plaintiff, Your Honor.

Mr. Chotiner: Ready for the defendant in this matter.

The Clerk: Counsel please state your appearances as you approach the rostrum?

STATEMENT BY MR. HAAS ON BEHALF OF THE PLAINTIFFS

Mr. Haas: Richard Haas, of Brobeck, Phleger & Harrison, for the plaintiffs.

May it please Your Honor, Paragraph 9 of the Court's judgment entered on January 23 of this year determines that the plaintiffs are entitled to recover from the defendants a reasonable amount of attorney's fees and litigation expenses incurred in this case in this court, in the United States Court of Appeals and in the Supreme Court, and this is the time the court has fixed for hearing to determine that amount. I will present the matter to Your Honor in place of Mr. Lasky because Mr. Lasky will be a witness.

The facts briefly stated are these: The case came to our office in the fall of 1957, over six years before this court's judgment early this year. After studying the matter Mr. Lasky came to the conclusion that the defendants' use of the Black & White mark on beer was unlawful. He there- [fol. 218] fore on the 23rd of December, 1957, wrote a letter to the defendant Maier Brewing Company requesting discontinuance of that use on an amicable basis. That letter is attached to the complaint in this case as Exhibit 3A.

In response, Mr. Lasky received a letter from a Mr. Max Gilford of Beverly Hills, then counsel for Maier, stating that Mr. Gilford could not agree with Mr. Lasky's conclusion.

Still attempting to dispose of the matter on an amicable basis and to avoid litigation, Mr. Lasky telephoned Mr. Gilford and pointed out the extreme importance to our clients of this matter and Mr. Lasky's belief that this single label, out of a vast stable of labels then in use by the Maier Brewing Company, couldn't be very important to Maier.

Mr. Lasky pointed out that our clients did not wish to impose any untoward expense on the Maier Brewing Company and suggested that they go ahead and use up the cans that they then had on hand and then stop. Mr. Gilford then requested that Mr. Lasky furnish some legal citations. Mr. Lasky complied with a long letter which concluded as follows:

"As already noted above, the purpose of this letter is not to brief the subject, but the citations above, which can be multiplied endlessly, demonstrate that continued refusal by your client to discontinue the use of the name Black & White when the dictionary is full of words which can be [fol. 219] called upon for other names, can entail a tremendous expense to it in defending suit. Our client feels very deeply about the protection of the name Black & White, whereas it is difficult for us to believe that the name, which is one of a stable of names used by Maier and only recently adopted by it, can mean so much to it as to warrant standing suit.

"Please let us hear from you shortly. A willingness of Maier to discontinue the name without litigation will be met with a reasonable attitude to minimize any inconvenience."

To this Mr. Gilford replied that he would like to arrange a meeting in Los Angeles with his client when Mr. Lasky was there and asked Mr. Lasky to telephone. Within a week Mr. Lasky was in Los Angeles and tried on several occasions to arrange a meeting suggested by Mr. Gilford, but he was told by Mr. Gilford that Maier was unable to attend.

Mr. Gilford then telephoned Mr. Lasky and said Maier refused to discontinue their use and followed with a letter saying he was sorry about this.

We start from the proposition, then, Your Honor, that we did everything within our power to avoid this litigation while at all times explaining to Maier how seriously our clients viewed the matter.

This litigation then followed. First, there were the proceedings in this court, including pleadings, motions, discovery and trial. Next there was the appeal to the United States Court of Appeals in which Your Honor will appreciate that we were the appellant. Next were the proceedings in the Supreme Court of the United States. Finally there were the further proceedings in this court to obtain the final judgment which we believe we are entitled to and which Your Honor will recall were opposed strenuously by the other side.

In order to bring this case to that successful conclusion twelve lawyers from Brobeck, Phleger & Harrison spent nine hundred and thirty and a half hours—

The Court: How many lawyers?

Mr. Haas: Twelve lawyers, Your Honor, and we will identify who they are. Twelve lawyers spent nine hundred and thirty and one half hours. The Court judicially knows from its own files the nature of much of this work, but we will summarize it for the Court's convenience.

During the same period the New York law firm of Davis, Polk, Wardwell, Sunderland & Kiendl also worked on the case. During the litigation the plaintiffs also incurred substantial amounts of out-of-pocket expenses which, although those expenses were as a direct result of the litigation, they were not taxable as ordinary costs. The major items were the cost of printing briefs in the appellate courts, some \$1150. Your Honor will recall that unless one is a pauper [fol. 221] one must print his brief in the appellate courts and the rules do not provide for the recovery of that expense.

In addition, our clients incurred the cost of sending lawyers to Los Angeles to investigate the case, to take depositions and investigative costs. These items which we seek to recover total \$2,152.79, and we will ask that this sum be awarded plaintiffs as litigation expenses to date.

Now, with the Court's permission I would like to call Mr. Lasky as a witness.

The Court: Very well.

MOSES LASKY, called as a witness by the plaintiff, being first duly sworn, testified as follows:

The Clerk: Please state your name, your address, your office address will do, and your professional calling.

The Witness: The names is Moses Lasky. My office address is 111 Sutter Street, San Francisco, and my profession is attorney at law.

Direct examination.

By Mr. Haas:

Q. Mr. Lasky, you're a member of the firm of Brobeck, Phleger & Harrison?

A. Yes, I am.

Q. And you have been since what time?

A. I have been a partner in that firm since late 1940 or [fol. 222] early 1941. I was associated with the firm prior to that time, since the beginning of 1930.

Q. Is that when you were admitted to practice?

A. I was admitted to practice in the spring of 1930.

Q. Have you been in charge of this case for Fleischmann and for James Buchanan since its inception?

A. Yes, I have, since its inception, which was in September, 1957.

Q. Now, prior to the institution of this action did you take any steps in an attempt to avoid the bringing of the action?

A. Yes, after having made a study of the facts and having had one of my lawyers go to Los Angeles to investigate the factual situation, I wrote a letter to Maier Brewing Company and that is the letter, a copy of which I later attached to the complaint as an exhibit, requesting them to discontinue.

Q. Yes. Did you hear from a Mr. Max Gilford in response to that letter?

A. Yes, the reply was a letter from Mr. Max Gilford whose letterhead indicated he was an attorney.

Q. Yes.

Mr. Haas: Will you mark that for identification?

The Court: So ordered.

The Clerk: Petitioner's 1A for identification only.

(Letter, 12/26/57, Gilford to Brobeck, Phleger & Harrison, marked Petitioner's Exhibit 1A for identification.)

[fol. 223] By Mr. Haas:

Q. I show you what has been marked 1A for identification, Mr. Lasky, and ask you if that is the letter you received from Mr. Gilford to which you just referred?

A. Yes, this is the letter.

Mr. Haas: I offer it in evidence, Your Honor.

The Witness: I may add that the pencil notations in the upper right-hand corner were not on the letter when received, I put those on.

Mr. Haas: Yes.

The Court: May be marked in evidence.

The Clerk: Petitioner's Exhibit 1A heretofore marked for identification now in evidence.

(Thereupon Petitioner's Exhibit No. 1A for identification was received in evidence.)

By Mr. Haas:

Q. Now following the receipt of that letter, Mr. Lasky, did you communicate with Mr. Gilford?

A. Yes, I did, I communicated with him both by telephone call, long distance telephone call and by letter. At the moment I don't recall which was first. I think the telephone call was first.

Q. What did you say, Mr. Lasky, and what did he say in that telephone conversation?

A. The gist of the telephone conversation was that I said to him that the Black & White name was a matter of tremendous importance to my client and that naturally we [fol. 224] would spare no expense in protecting it; but on the other hand I couldn't believe that that name could mean anything at all to Maier Brewing Company. I do not believe I referred to Ralphs because at that time I had not yet written a letter to Ralphs. I could not believe that it could mean anything to Maier Brewing Company since they had only recently adopted it and there were so many other names they could adopt, that while we would have to spare no expense in prosecution of litigation if we had to, I could not believe that the facts would warrant them going to that expense and I wanted them, Mr. Gilford, to reconsider. He asked me if I would get him up some authorities which he would consider and I said I would do so.

Now, that's the substance of the conversation.

Q. Did you get up the authorities Mr. Gilford asked you for?

A. Yes, I did,, and I sent them to him in the form of a letter.

Q. I show you, Mr. Lasky, what purports to be a copy of a letter dated January 8, 1958, from you to Mr. Gilford and I ask you-if that is a copy of the letter you wrote Mr. Gilford respecting which you just testified?

A. Yes, this is the letter, file copy of the letter.

Q. The original, of course, went to Mr. Gilford?

A. The original went to Mr. Gilford.

Mr. Haas: I offer it in evidence, Your Honor.

[fol. 225] Mr. Chotiner: To which we object, if the Court please, first on the grounds that it is self-serving, not binding on our clients in this matter, and not the best evidence.

Your Honor will note it merely states the legal and factual positions of the plaintiffs in this case, merely a recitation of their position and certainly not binding on us and (would be self-serving.

Mr. Haas: I don't offer it, Your Honor, to prove—

The Court: It probably is offered, no doubt it is offered on the basis of demonstrating or attempting to demonstrate that every avenue was exhausted by plaintiffs' counsel in an attempt to avoid litigation.

Mr. Haas: That is the purpose of the offer, Your Honor.

The Court: Be admitted for that purpose.

The Clerk: Petitioner's Exhibit No. 2A in evidence for the purpose stated.

(Letter, 1/8/58, Brobeck to Gilford, was received in evidence as Petitioner's Exhibit No. 2A.)

By Mr. Haas:

Q. Then, Mr. Lasky, did you receive a letter from Mr. Gilford acknowledging receipt of your letter of January 8 and asking to arrange a meeting when you come to Los Angeles to discuss the matter with his client?

A. Yes, I did.

[fol. 226] Q. I show you what purports to be a letter dated January 16, 1958, from Mr. Gilford to yourself and I ask you whether that is the letter?

A. Yes, this is the letter.

Mr. Haas: I offer it in evidence, Your Honor.

The Court: May be marked.

The Clerk: Petitioner's Exhibit 3A in evidence.

(Letter, 1/16/58, Gilford to Lasky, was received in evidence as Petitioner's Exhibit No. 3A.)

By Mr. Haas:

Q. Were you subsequently in Los Angeles, Mr. Lasky, and contacted Mr. Gilford looking to the meeting there suggested?

A. I was in Los Angeles shortly afterwards and my recollection is that I telephoned Mr. Gilford about three times stating I was there and was ready and prepared to meet with him and his client as he had suggested.

Q. What did he tell you?

A. On each occasion he said Mr. Maier was not available and on the last occasion he said there was no point pursuing the matter, Mr. Maier was not available.

Q. Now subsequently did you hear from Mr. Gilford that Maier would not discontinue the use of the Black & White label?

A. Yes.

Q. Did he telephone you to that effect?

[fol: 227] A. My recollection is that he telephoned me and said that and I said to him in that conversation that I wanted a letter in my file before I started suit for the purpose of showing that I had done everything to exhaust an attempt to clean the matter up without litigation and he said he would send me a letter.

Q. I show you a letter dated February 3, 1958, from Mr. Gilford saying:

"Dear Mr. Lasky:

"I am sorry to say that my client is not interested in desisting in the use of the label 'Black & White' in the sale of beer."

Is that the letter?

A. Yes, this is the letter.

Mr. Haas: I offer it in evidence, Your Honor.

The Court: May be marked.

The Clerk: Petitioner's Exhibit 4A in evidence.

(Letter, 2/3/58; Gilford to Brobeck—, was received in evidence as Petitioner's Exhibit No. 4A.)

By Mr. Haas:

Q. You then wrote a letter to Ralphs, did you not, Mr. Lasky, asking them to discontinue the use of Black & White on beer?

A. Yes, I did. My original letter to Maier Brewing Company, I believe it said that I didn't want to disturb their [fol. 228] customer and would not write the customer until the opportunity of solving the matter amicably had proved abortive, and then I wrote a letter to Ralphs and my recollection is that a copy of it is attached to the complaint in this case.

Mr. Haas: That is correct, Your Honor, a copy of the letter to Ralphs is Exhibit 3B to the complaint and its receipt is admitted by the pleadings.

Q. Now, are you familiar, Mr. Lasky, with the work which was done by Messrs. Brobeck, Phleger & Harrison in the course of this litigation and the persons who performed the work?

A. Oh, yes, yes, I am, because I performed much of it myself and superintended the rest of it and was in intimate contact with it.

I may say that I personally prepared the complaint to start the case.

Mr. Haas: I thought we might save a little time, Your Honor, I have prepared a summary; rather than have extensive testimony I could show Mr. Lasky the summary which contains the work, summarization of the work done and the counsel who performed it. It might save a little time that way.

Q. First let me show you, Mr. Lasky, a document entitled "Time Spent by Messrs. Brobeck, Phleger & Harrison, October 7, 1957 to January 22, 1964."

On the left-hand side are listed a group of names.

First, can you tell me whether the persons there referred [fol. 229] to are either members of the firm of Brobeck, Phleger & Harrison or attorneys associated with that firm?

A. The names listed in the left-hand column are the names of people, some of whom are presently members of the firm, others of whom are presently associates of the firm and others who were in past years associates of the firm but are not now.

Q. Yes. Are those the gentlemen who worked on this case while they were with Brobeck, Phleger & Harrison?

A. This is the complete list of names of attorneys from first to last, beginning in the fall of 1957 who devoted time to this case.

Q. You will note that after each name a year appears. For example, in the case of Moses Lasky the year 1930. Are those the years that those gentlemen were admitted to practice?

A. Those are the years of admission to the Bar of California, that is right.

Q. And then after the names are set forth numerals. Can you tell me whether those are the hours spent by the persons (opposite the numeral appears in) working in this case?

Mr. Chotiner: That is objected to on the ground it calls for a conclusion on the part of the witness and is hearsay, no proper foundation has been laid for the purpose of introducing that portion into evidence as to the number of hours spent by each individual listed on the sheet of paper.

The Court: Overruled.

[fol. 230] The Witness: Yes, there are three columns here, four columns, the fourth being the total column. One column is the time spent in the case up to the filing of the notice of appeal. The next column is the time spent in the Court of Appeals for the Ninth Circuit and in the Supreme Court, and the third column is the time spent after the remand to this court and to the date of the entry of the court's judgment.

Mr. Haas: I offer the document in evidence, Your Honor.

[fol. 231] The Clerk: Petitioner's Exhibit 6A in evidence.

("Summary" of Work Done by Messrs. Brobeck, Phleger & Harrison" was received in evidence as Petitioner's Exhibit No. 6A.)

[fol. 232]

By Mr. Haas:

Q. Do you know, Mr. Lasky, whether attorneys from the New York firm of Davis, Polk, Wardwell, Sunderland & Kiendl actually worked on this case?

Mr. Chotiner: That is objected to as obviously calling for a conclusion on the part of the witness, unless he knows of his own personal knowledge and saw them doing it.

The Witness: I do know.

The Court: Overruled. The witness testified he had spent time in New York, that he worked with the members of this firm for this special work that was being done.

The Witness: Yes, I do know of my own personal knowledge.

By Mr. Haas:

Q. Would you tell us what your knowledge is on that subject, sir?

A. Yes, in the first place, I happened to—the case came to me, this whole matter came to me when I was in the office of Mr. William C. Cannon. Mr. Cannon is one of the senior and distinguished partners in the Davis-Polk firm. I had handled another case for them involving Haig & Haig pinch bottle, someone was using the pinch bottle, and Mr. Cannon asked me if I would look into this. That was in September of 1957. I was in communication with Mr. Cannon and I was in communication with a young man in his office whose name presently escapes me.

Thereafter, I was in correspondence with that office. [fol. 233] We had to be in touch with them, of course, to obtain information in order to answer interrogatories, in touch with both the Davis-Polk firm and the United States counsel for these English whisky interests, and I communicated for information that we needed through them and received answers from them. I know personally and of my own knowledge that after the appeal was taken and I again took over the personal charge of this case and

did all the appeal work myself, with the clerical assistance and research of younger men, that I was constantly on the telephone with Mr. Porter Chandler. Now, Mr. Porter Chandler is a trial attorney and one of the senior partners and a distinguished member of that firm and of the New York Bar.

I was in New York on several occasions. They were much concerned about this. I have personally spent—I remember spending a whole weekend, I remember distinctly that Wall Street was, no one was there over Saturday and Sunday, with Mr. Chandler and with a younger member of the office by the name of Mr. Philip Potter, whom I saw on other occasions.

I have discussed and worked with this matter with Mr. Ralph Carson, who was one of the senior partners of that firm. I have talked about it with Mr. Spofford, who is a partner of that firm, and I spent another day or so in that office during the appeal. It was Mr. Potter and he was assisted by a younger man. In connection with the preparing the brief in opposition to the petition for writ of [fol. 234] certiorari I was in New York and spent time with them.

I exchanged drafts of my brief in the Court of Appeals, went over the briefs with them and received suggestions from them. So that I know personally that all the people whose names I have mentioned did some work on it. I am unable to say of my own knowledge how many hours of time they put in on it or how when I wasn't there, but I know they did work and they sent me material and considered my material.

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[fol. 235]

Afternoon Session

Thursday, April 23, 1964
2:15 o'clock P.M.

Mr. Chotiner: Mr. Mellin.

OSCAR A. MELLIN, called as a witness by the defendants, being first duly sworn, testified as follows:

The Clerk: Please state your name, your office address and professional calling to the Court.

The Witness: Oscar A. Mellin, 111 Sutter Street, San Francisco, attorney at law and patent attorney.

Direct examination.

By Mr. Chotiner:

[fol. 236] Mr. Chotiner:

Q. Mr. Mellin, did you give any advice to the Maier Brewing Company on the subject of their right to use the name Black & White before the litigation was commenced?

A. I did, but I think it was through the firm of Hill, Farrer & Burrill in Los Angeles; I don't think it was direct.

Q. And the firm of Hill, Farrer & Burrill in Los Angeles represented the Maier Brewing Company in Los Angeles at the time, to your knowledge?

[fol. 237] A. They were representing them in some matter at the time, as I recollect, because I know Maier Brewing Company was not a regular client of ours and this was referred by them to us.

Q. And what was your opinion on that subject?

A. My opinion was that the defense should succeed in the event of litigation, and they were so advised.

Q. Do you have an opinion as to the amount of time that would be reasonably necessary or required to answer a petition for rehearing in the Circuit Court of Appeals in this matter?

A. We probably would spend one day.

Q. And what, in your opinion, would be the reasonable and necessary amount of time required to answer a petition for certiorari to the United States Supreme Court?

A. Well, I happened to know that because we have filed three or four of them. About five days.

Mr. Chotiner: You may cross-examine.

Cross examination.

By Mr. Haas:

[fol. 238] Q. I understand. Now, when did you give advice to the Maier Brewing Company of your opinion that they should succeed in this action?

A. I don't know. I wrote a letter to Hill, Farrer & Burrill and I think the counsel has that letter.

Q. Was it before or after this action was instituted?

A. Well, it seems to me—my recollection is that it was [fol. 239] after they had been charged with infringement and I am not dead certain that it was before the action was instituted, but there was correspondence, I couldn't find it in mine, we sent somebody a copy of that letter, it was to Hill, Farrer & Burrill and that would give the date. I have no recollection of it except I know I spent, there was some little time in there that I couldn't get at it and there didn't seem to be any hurry, so it must have been before the action was commenced.

Q. That's your best recollection?

A. That is my recollection, but I can't be certain of that.

Q. Do you know a lawyer in Los Angeles by the name of Max Gilford?

A. No, I never heard of it.

Q. You never communicated with him at all?

A. No. The first time I heard his name was here this morning.

Q. Your advice to the Maier Brewing Company was that they should win this action?

A. That is correct.

[fol. 240] Q. Were you discharged by the defendants as their counsel in this case?

A. Yes. When you say "discharged" I suppose that is the right way to put it.

Q. I am sorry, may I have the witness' answer, please?

The Witness: I would say if you want to say "discharged," I no longer had anything to do with the case after the Court of Appeals decision came down.

By Mr. Hass:

Q. That was the determination of your client, you didn't voluntarily withdraw.

Mr. Chotiner: Just a moment, I am going to object—

The Court: My recollection in the practice of law is that when you won you were a national hero, if you lost you were a bum.

The Witness: I think this is the case.

The Court: Is that a fair appraisal?

The Witness: That's a completely fair appraisal.

By Mr. Hass:

Q. And you spent no time whatever on the Supreme Court matter?

A. Absolutely not except—no, I would say absolutely none. I was going to say that I wrote a letter saying I didn't think there was too much—I didn't have too good an opinion of the chances in the Supreme Court, let us say that.

[fol. 241] Mr. Chotiner: Mr. Kalmanovitz.

PAUL KALMANOVITZ, called as a witness by the defendants, being first duly sworn, testified as follows:

The Clerk: Please state your name, your office address and your professional calling.

The Witness: Paul Kalmanovitz, K-a-l-m-a-n-o-v-i-t-z, 500 East Commercial, L.A. 12, President of Maier Brewing Company.

Direct examination.

By Mr. Chotiner:

Q. Mr. Kalmanovitz, approximately how long have you been identified with the Maier Brewing Company?

A. Fourteen years.

Q. In what capacity, sir?

A. Vice-President and President.

Q. How long have you been President?

A. Eight years.

Q. Did you ever receive any advice from any lawyer before the litigation in this matter was commenced by the filing of the complaint that you are not permitted under the law to use the name Black & White on beer manufactured by the Maier Brewing Company?

A. From three.

Mr. Chotiner: Would you read the question to him, Mr. [fol. 242] Reporter?

(Record read.)

The Witness: No.

By Mr. Chotiner:

Q. Did you ever receive any advice from any lawyer that in his opinion you were permitted to use the name Black &

White on beer manufactured by Maier Brewing Company?

A. I did.

Q. From whom did you receive that advice?

A. Max Gilford, from Mr.—Hill, Farrer & Burrill, I don't remember the gentleman's name, and also a letter indirectly from Mr. Mellin to Hill, Farrer & Burrill.

Q. At the time that you contested the complaint in this matter, did you believe that you had a right to use the name of Black & White on beer manufactured by your company?

A. Positively.

Q. Directing your attention to the label L&M as used on beer, do you know who owns that name?

A. I do.

Q. Who?

A. Boron Brothers, Thrifty Drug Store.

Q. Do you know whether or not L&M is used on whisky by Thrifty Drug Stores?

A. That is correct.

Q. Does Maier Brewing Company manufacture the beer [fol. 243] for Thrifty Drug Stores under the name of L&M?

A. We do.

[fol. 244] Mr. Lasky: Your Honor will observe the evidence today that my correspondence with Mr. Gilford he sought to have his client speak to me, no such meeting occurred, wrote me a letter saying he was sorry, his client was not going to discontinue, for what that is worth.

The Court: For the record you did everything that a lawyer could do under the circumstances to bring about some accord, some agreement or some reasonable viewpoint, I wouldn't quarrel with that at all.

[fol. 245]

[Stamp—Brobeck Form No. 37340—Filed Apr 22 1964—
James P. Welsh, Clerk, By H. F. Mager, Deputy Clerk]

IN UNITED STATES DISTRICT COURT

PETITIONERS' EXHIBIT 1A

LAW OFFICES

MAX M. GILFORD
444 NORTH CAMDEN DRIVE
BEVERLY HILLS, CALIFORNIA

CABLE ADDRESS
"GILMAX"

BRADSHAW 2-6531
CRESTVIEW 5-4548

December 26, 1957

Brobeck, Phleger & Harrison
Attorneys at Law
111 Sutter Street
San Francisco 4, Calif.

Attention: Moses Lasky

Re: "Black & White"—Maier Brewing Co.

Dear Mr. Lasky,

I represent Maier Brewing Co., and your letter of December 23, 1957 has been passed to me for attention.

The name "Black & White" which my client is using in connection with Beer, does not, constitute an infringement, in my opinion, of your trademark used in connection with Whiskey.

If you will check the records you will find the name "Black & White" used with Beer has been used in this state for many years by others. We have been using it and now own the right as the previous user of the name abandoned its use.

You are presenting an argument that would prohibit the use of the name by someone selling a soft drink, such as "Black & White Soda." I can't seem to agree with your contention.

Any threat to any of our customers causing us to suffer damages and loss of sales will naturally result in retaliatory action on our part.

Yours very truly,

/s/ MAX M. GILFORD
Max M. Gilford

MG/sg

[fol. 246]

[Stamp—Brobeck Form No. 37340—Filed Apr 22 1964—
James P. Welsh, Clerk, By H. F. Mager, Deputy Clerk]

IN UNITED STATES DISTRICT COURT

PETITIONERS' EXHIBIT 2A

January 8, 1958.

Max M. Gilford, Esq.,
Attorney at Law,
444 North Camden Drive,
Beverly Hills, California.

Re: Black & White—Maier
Brewing Co.

Dear Mr. Gilford:

In our telephone conversation of January 6th, following your letter to me of December 26, 1957, you asked me for citations of pertinent authorities. What follows is no attempt to brief the subject but, I hope, will be helpful to you in advising your client.

The name "Black & White" is one of the honored and respected names in the liquor industry as a designation for our client's alcoholic beverage. What is involved are both trademark rights and rights under the law of unfair

competition. Your letter noted that Black & White was once registered in California for a make of beer. But that fact is not relevant. You doubtless refer to the fact that the old St. Claire Brewing Co. of San Jose registered the name in [fol. 247] 1934. This was shortly after the repeal of Prohibition and before the tremendous resurgence of the business of importing and selling Scotch whisky—interrupted by National Prohibition—had reached its post-prohibition stride. St. Claire was a minor brewing company, which lost its right to exist as a corporation in 1943, 15 years ago, and before that time had discontinued business. Probably no one in Southern California ever heard of St. Claire's beer. Doubtless no one even in Northern California remembers it.

Obviously, a California trademark registration could not derogate from the superior trademark rights of our client under federal registration. And as a matter of the law of unfair competition, the slight, ancient, and long discontinued use of the name by St. Claire cannot alter the fact that what Black & White means to the public is our client's alcoholic beverage. After St. Claire's demise and since 1949 alone, over \$5,000,000 has been spent in advertising Black & White whisky.

In *National Lead Company v. Wolfe*, 223 F. 2d 195 at p. 204, where a judgment in favor of a defendant was reversed with instructions to enter an injunction against the [fol. 248] use of the name "Dutch", defendants urged that there had been other uses of the word "Dutch", and the court commented that these uses were

"discontinued many years ago, some were used but to a limited extent and in single communities or limited localities * * *".

It held that as a matter of law such other uses were

"too inconsequential to establish a claim of *publici juris* or the claim that appellant's mark has become a weak

mark or to justify on any other theory the acts of these appellees. It may be that some of these third persons may also have been guilty of wrongful infringement, but such would not be a defense or justification for the appellees. It is no excuse for them to say that others have been guilty of the same wrong."

The fact that our client uses the name on whisky and yours on beer is no defense. For example, in *Four Roses Products Co. v. Small Grain Distilling & Drug Co.*, 29 F. 2d 959 (D.C. Cir.) the Court of Appeals for the District of Columbia affirmed a refusal by the patent office to register "Four Roses" for malt syrup in view of the prior registration of the same trademark for whisky. In *Ex Parte American Wine Company*, 90 U.S.P.Q. 15, the Commissioner of Patents refused to register the mark "Early American" for wine because of the prior registration of the mark for whisky.

[fol. 249] In *MacSweeney Enterprises v. Tarantino*, 106 C.A. 2d 504, the plaintiff, who operated "Tarantino's", a well-known San Francisco restaurant, obtained an injunction against the defendants, all members of a Tarantino family, using the name "Tarantino's" on a cocktail sauce. In *Eskimo Kooler Corp. v. Eskimo Pie Corporation*, 235 F. 2d 3 (7 Cir.), the makers of Eskimo Pie, an ice cream confection, were awarded an injunction against use of the name "Eskimo Kooler" by defendants on refrigerated cabinets.

In *Fancee Free Mfg. Co. v. Fancy Free Fashions*, 148 F. Supp. 825, the makers of intimate undergarments for women under the name "Fancee Free" were awarded an injunction against the use of the name "Fancy Free" by defendants on outer garments. The court said (p. 829):

"Though not in competition with each other, these items of feminine apparel are sufficiently related for there to be such a likelihood of confusion as to entitle plaintiff to protection of its trademark."

In *Pure Food v. Minute Made Corporation*, 214 F. 2d 792, the makers of frozen juice concentrates under the name "Minute Maid" were awarded an injunction against defendant's use of the name "Minute Made" on frozen meats. The court remarked that while plaintiff's registered trademark was on frozen juices, the remedies of an owner of a registered trademark "extend to any goods on which the use of an infringing mark is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods."

In *Del Monte Special Food Co. v. California Packing Corporation*, 34 F. 2d 774 (9 Cir.), California Packing Corporation, which had long used the trademark "Del Monte" on its various canned foods, was awarded an injunction against use by the defendant of the name Del Monte on oleomargarine, despite the fact that plaintiff had never used it on oleomargarine and that the name had been used by a variety of other people.

In *Stork Restaurant v. Sahati*, 166 F. 2d 348 (9 Cir.), the famous restaurant and, night club in New York City called the "Stork Club", obtained an injunction against a small bar in San Francisco using the same name. The court remarked (pp. 358-359):

"During the oral argument, it was suggested that any one driving by an unpretentious night club displaying the sign 'Stork Club' in or near San Francisco, would hardly assume that the place was in any way [fol. 251] affiliated with the celebrated New York establishment. It may be true that a prudent and worldly-wise passerby would not be so deceived. The law, however, protects not only the intelligent, the experienced, and the astute. It safeguards from deception also the ignorant, the inexperienced, and the gullible."

In *Academy of Motion Pictures v. Benson*, 15 Cal. 2d 685, the plaintiff, a nonprofit corporation not engaged in

business at all, was held to state a cause of action against the defendant's operating a dramatic and coaching school under the name "The Hollywood Motion Picture Academy". The court noted that the law did not require "that the parties be in competitive business" and that it was enough that there was a likelihood of confusion.

The trend of the law is also shown by a recent decision of the United States District Court in San Francisco not yet reported—*HMH Publishing Co., Inc. v. Hale*, No. 35771, copy of which is enclosed.

We have put the question to a variety of people, whom they would suppose was the producer of a beer under the name "Black & White", and we have received the reply they would assume it was made by the makers of the famous Black & White Scotch Whisky.

[fol. 252] As already noted above, the purpose of this letter is not to brief the subject. But the citations above, which can be multiplied endlessly, demonstrate that continued refusal by your client to discontinue the use of the name "Black & White", when the dictionary is full of words which can be called upon for other names, can entail a tremendous expense to it in defending suit. Our client feels very deeply about the protection of the name "Black & White", whereas it is difficult for us to believe that the name, which is one of a stable of names used by Maier and only recently adopted by it, can mean so much to it as to warrant standing suit.

Please let us hear from you shortly. A willingness of Maier to discontinue the name without litigation will be met with a reasonable attitude to minimize any inconvenience.

Very truly yours,

BROBECK, PHLEGER & HARRISON

By Moses Lasky.

ML:MS

Enc.

[fol. 253]

[Stamp—Brobeck Form No. 37340—Filed Apr 22 1964—
James P. Welsh, Clerk, By H. F. Mager, Deputy Clerk]

IN UNITED STATES DISTRICT COURT

PETITIONERS' EXHIBIT 3A

LAW OFFICES

MAX M. GILFORD
9059 SUNSET BOULEVARD
HOLLYWOOD 46, CALIFORNIA

CABLE ADDRESS

"GILMAX"

BRADSHAW 2-1912

CRESTVIEW 4-8737

January 16, 1958

Mr. Moses Lasky
Attorney at Law
111 Sutter Street
San Francisco 4, Calif.

In Re: Black and White—Maier Brewing Co.

Dear Mr. Lasky:

I have your letter of January 8th for which I thank you and contents noted. I would like to arrange a meeting when you come to Los Angeles with my client, so please phone me for that purpose. Please note my new address above.

Yours very truly,

/s/ MAX M. GILFORD
Max M. Gilford


MMG:s

60

[fol. 254]

IN UNITED STATES DISTRICT COURT

PETITIONERS' EXHIBIT 5A

(See opposite) 

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PAGE

Brobeck Turner
THE FLEISCHMANN DISTILLING CORPORATION, et al. vs. MAIER BREWING COMPANY, et al.

No. 37340

Time Spent by Messrs. Brobeck, Phleger & Harrison
October 7, 1957 to January 22, 1964

Return
Exhibit No. 5A
Filed FOR 221964

James P. Welsh, Clerk

By H. F. Magee
Deputy Clerk

	Up to Notice of Appeal (10/7/57-11/1/61)	Court of Appeals and Supreme Court (11/1/61-6/24/63)	After Remand to Date of Judgment in Trial Court (6/24/63-1/22/64)	Total
Moses Lasky (1930)	40-1/2	147-1/4	30-1/4	218
Bailey Lang (1943)	269-1/2	31-1/2	-	301
Richard Haas (1951)	19-1/4	1/2	67	86-3/4
Donald D. Connors (1953)	15	-	-	15
Robert S. Daggett (1955)	11-3/4	1/4	-	12
James K. Parker (1956)	143-1/4	-	-	143-1/4
Lane P. Brennan (1957)	11	-	-	11
Peter L. Mezey (1959)	8-1/2	-	-	8-1/2
Edwin J. Elderkin (1960)	35-3/4	-	-	35-3/4
Jeremy T. Harrison (1960)	23	-	-	23
J. Ernest Hartz, Jr. (1961)	-	69-3/4	-	69-3/4
Melvin R. Goldman (1961)	-	-	6-1/2	6-1/2
				<u>930-1/2</u>

[fol. 255]

[Stamp—Brobeck Form No. 37340—Filed Apr 22 1964—
James P. Welsh, Clerk, By H. F. Mager, Deputy Clerk]

IN UNITED STATES DISTRICT COURT

PETITIONERS' EXHIBIT 6A

THE FLEISCHMANN DISTILLING COMPANY et al.,

vs.

MAIER BREWING COMPANY, et al.

Summary of Work Done
by Messrs. Brobeck, Phleger & Harrison

Preliminary investigation of the case.

Preparation and sending letters to defendants requesting voluntary discontinuance.

Preparation and filing of complaint.

Opposition to defendants' motion to dismiss, including memorandum and oral argument. Motion denied.

Opposition to defendants' motion to require separate statement, including memorandum and oral argument. Motion denied.

Taking depositions of Albert George Ralphs, Jr., Paul Kalmanovitz, Charles H. Mossiman and Duke Molner.

Preparation and filing of reply to defendants' counterclaim.

Preparation and filing of answers to various interrogatories propounded by defendants to plaintiff Fleischmann.

Preparation and filing of objections to certain interrogatories propounded by defendants to plaintiff Fleischmann, [fol. 256] with supporting memorandum, and oral argument. Objections sustained.

Production of documents pursuant to defendants' motion under R.C.P. Rule 34.

Preparation and filing of complaint in intervention, pursuant to motion for leave to file presented orally.

Preparation and filing of interrogatories to defendant Ralphs.

Preparation and filing of interrogatories and supplemental interrogatories to defendant Maier.

Preparation and filing of answers to interrogatories propounded by defendants to plaintiff Buchanan.

Preparation and filing of answers to supplementary interrogatories propounded by defendants to plaintiff Fleischmann.

Preparation and filing of stipulation re certain facts.

Preparation for and trial of the action.

Preparation and filing of plaintiffs' opening brief in the trial court.

Preparation and filing of plaintiffs' reply brief in the trial court.

[fol. 257] Preparation and filing of motion to reopen case for further evidence, with supporting memorandum and affidavit.

Preparation and filing of suggested amendments to the findings and conclusions proposed by defendants.

Preparation and filing of notice of appeal and designation of the record on appeal; and perfecting the appeal.

Preparation and filing in the Court of Appeals of the designation of record and statement of points.

Preparation and filing in the Court of Appeals of appellants' opening brief.

Preparation and filing in the Court of Appeals of appellants' reply brief.

Preparation for and oral argument in the Court of Appeals.

Preparation and filing of cost bill in the Court of Appeals.

Preparation and filing in the Supreme Court of brief for respondents in opposition to petition for certiorari.

Preparation and lodging form of judgment in the trial proposed by plaintiffs, with notice of motion for its entry and supporting memorandum.

[fol. 258] Preparation and filing of opening and reply memoranda respecting the award of attorneys' fees, litigation expenses and an accounting, and oral argument of these questions.

Legal research necessary to each of the foregoing items.
Interviewing witnesses.

[fol. 259]

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

Civil Action No. 37340

THE FLEISCHMANN DISTILLING CORPORATION,
a corporation, Plaintiff,

vs.

MAIER BREWING COMPANY, a corporation, and
RALPHS GROCERY COMPANY, a corporation, Defendants.

JAMES BUCHANAN & COMPANY LIMITED,
Plaintiff in Intervention,

vs.

MAIER BREWING COMPANY, a corporation, and RALPHS
GROCERY COMPANY, a corporation, Defendants in Intervention.

ORDER ALLOWING ATTORNEY FEES AND COSTS—
April 30, 1964

The motion of plaintiffs coming on regularly to be heard
on the 23rd day of April, 1964, at the hour of 10 o'clock

[File endorsement omitted]

a.m. pursuant to the provisions of the judgment herein made and entered on January 21, 1964 and the Court having heard testimony in support thereof, the matter having been argued and submitted both orally and in writing, and the parties herein being represented by Brobeck, Phleger [fol. 260] & Harrison by Richard Haas and Moses Lasky for plaintiffs and Murray M. Chotiner, Esq for defendants; and the Court being fully advised;

Now, Therefore, It Is Hereby Ordered that the plaintiffs have and recover of and from the defendants attorney fees in the total amount of \$60,000;

It Is Further Ordered that the plaintiffs do have and recover of and from the defendants costs herein and in the prosecution of the above entitled cause in the amount of \$1222.16 as awarded plaintiffs by the United States Court of Appeals for the Ninth Circuit and the amount of \$253.09 additional as taxed by the clerk of the court;

It Is Hereby Further Ordered that the plaintiffs do have and recover from the defendants such additional and further costs as may have been legally expended herein by plaintiffs upon filing a duly verified cost bill to be taxed by the clerk of the court.

Dated: April 30, 1964.

George B. Harris, United States District Judge:

[fol. 261]

IN THE UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SOUTHERN DIVISION

Civil Action No. 37340

THE FLEISCHMANN DISTILLING CORPORATION,
a corporation, Plaintiff,

vs.

MAIER BREWING COMPANY, a corporation, and
RALPHS GROCERY COMPANY, a corporation, Defendants.

JAMES BUCHANAN & COMPANY LIMITED,
Plaintiff in Intervention,

vs.

MAIER BREWING COMPANY, a corporation, and RALPHS
GROCERY COMPANY, a corporation, Defendants in Inter-
vention.

APPLICATION FOR TAXATION OF COSTS AND COST BILL—
Filed May 5, 1964

The Court, by its order of April 30, 1964, having determined that plaintiffs shall have and recover, in addition to the amount of \$1,222.16 awarded them by the United States [fol. 262] Court of Appeals for the Ninth Circuit and the additional amount of \$253.09 heretofore taxed by the Clerk of this Court, such additional and further costs as may have been legally expended herein by them upon filing a duly

[File endorsement omitted]

verified cost bill to be taxed by the Clerk of this Court, plaintiffs hereby itemize such additional and further costs as follows and apply for their taxation:

Printing

Opening Brief, United States Court of Appeals	\$ 826.33
Reply Brief, United States Court of Appeals	201.40
Brief in Opposition, United States Supreme Court	120.48

Traveling

James K. Parker, Esq., to Los Angeles 10/23/57-11/1/57, to visit Ralphs markets and investigate case	82.19
Bailey Lang, Esq., to Los Angeles 8/5/58-8/6/58, to take depositions of president of defendant Ralphs and president of defendant Maier	85.34
Bailey Lang, Esq., to Los Angeles 9/15/59 to interview Duke Molner	66.69
Bailey Lang, Esq., to Los Angeles 9/30/59-10/1/59, to interview and obtain statement from Duke Molner	88.59
Bailey Lang, Esq., to Los Angeles 10/12/59-10/13/59, to take deposition of Duke Molner	83.69
Moses Lasky, Esq. portion of expenses to New York 7/30/62-8/4/62 to discuss case with Messrs. Davis Polk Wardwell Sunderland & Kiendl	31.55

[fol. 263] Investigation

To Allen's Press Clipping Bureau to search Ralphs advertising	\$ 84.75
To Stern Investigation Agency to visit Ralphs Grocery Stores in Los Angeles to ascertain whether "Black & White" beer was being exposed for sale	253.40
Long Distance Telephone and Telegraph	192.14
Other	
Transcript of hearing on motion for entry of judgment, August 16, 1963	30.00
Facsimile of trademark and certificate of trademark624
Total	\$2,152.79

[Stamp—No appearance—Costs taxed at \$2,152.79—May 8 1964—11:10 A.M.—James P. Welsh, Clerk—By Harry R. Oliver—Deputy Clerk]

State of California,
City and County of San Francisco, ss.:

I, Richard Haas, do hereby swear that the foregoing costs are correct and were necessarily incurred in this action and that the services for which fees have been charged were actually and necessarily performed. A copy hereof was this day mailed to counsel for defendants with postage fully prepaid thereon.

Please take notice that I will appear before the Clerk to tax said costs on Friday, the 8th day of May, 1964 at 9:30 A.M.

Dated: May 5, 1964.

Richard Haas, an attorney for plaintiffs. :

Subscribed and sworn to this 5th day of May, 1964.

Maude W. Nash, Notary Public in and for the City and County of San Francisco, State of California. My Commission expires October 14, 1966.

[fol. 264]

IN THE UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SOUTHERN DIVISION

Civil Action No. 37340

THE FLEISCHMANN DISTILLING CORPORATION,
a corporation, Plaintiff,

vs.

MAIER BREWING COMPANY, a corporation, and
RALPHS GROCERY COMPANY, a corporation, Defendants.

JAMES BUCHANAN & COMPANY LIMITED,
Plaintiff in Intervention,

vs.

MAIER BREWING COMPANY, a corporation, and RALPHS
GROCERY COMPANY, a corporation, Defendants in Inter-
vention.

SUBSTITUTION OF ATTORNEYS—Filed May 19, 1964

Defendants Maier Brewing Company, a corporation, and
Ralphs Grocery Company, a corporation, hereby substitute
J. Albert Hutchinson as their attorney of record in place
of Murray M. Chotiner.

Dated: May 15, 1964.

Maier Brewing Company, By (Signature illegible)
[fol. 265] Ralphs Grocery Company, By (Signature
illegible)

I consent to the above substitution.

Dated: May 17, 1964.

Murray M. Chotiner

Above substitution accepted.

Dated: May 18, 1964.

J. Albert Hutchinson

Acknowledgment of Service (omitted in printing).

[File endorsement omitted]

[fol. 266]

IN THE UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SOUTHERN DIVISION

Civil Action No. 37340

THE FLEISCHMANN DISTILLING CORPORATION,
a corporation, Plaintiff,

vs.

MAIER BREWING COMPANY, a corporation, and
RALPHS GROCERY COMPANY, a corporation, Defendants.

JAMES BUCHANAN & COMPANY LIMITED,
Plaintiff in Intervention,

vs.

MAIER BREWING COMPANY, a corporation, and RALPHS
GROCERY COMPANY, a corporation, Defendants in Inter-
vention.

NOTICE OF APPEAL—Filed May 21, 1964

To the Clerk of the Above-Entitled Court:

To the Plaintiffs Above Named and to Moses Lasky, Es-
quire and Richard Haas, Esquire of Bröbeck, Phleger &
Harrison, their Attorneys:

You and Each of You Will Please Take Notice that de-
fendants intend to, and they do hereby, appeal to the
United States Court of Appeals for the Ninth Circuit,

[File endorsement omitted]

[fol. 267] from that certain order allowing attorney fees and costs in the above-entitled proceeding, in favor of plaintiffs against defendants, and made and entered in the above-entitled Court the 30th day of April, 1964, and from each and the whole thereof.

Dated this 20th day of May, 1964.

J. Albert Hutchinson, Attorney for Defendants.

[fol. 268]

IN UNITED STATES DISTRICT COURT

THE FLEISCHMANN DISTILLING CORPORATION,
a corporation, Plaintiff,

vs.

MAIER BREWING COMPANY, a corporation, and
RALPHS GROCERY COMPANY, a corporation, Defendants.

JAMES BUCHANAN & COMPANY LIMITED,
Plaintiff in Intervent.

Basis of Action:

Trademark infringement

For Plaintiff:

Brobeck, Phleger & Harrison, 111 Sutter St., S.F. for
pltf. & James Buchanan & Co.

For Defendant:

Mollin, Hanscom & Hursh, 111 Sutter St.

Hill, Farrer & Burrill, 411 West 5th St., LA

Brobeck, Phleger & Harrison, 111 Sutter, SF for Buchanan.

J. Albert Hutchinson, 55 New Montgomery St. S.F. for Maier Brewing Co. & Ralphs Grocery Co.

[fol. 269]

DOCKET ENTRIES

DATE
1958

FILINGS—PROCEEDINGS

May	20	1	Filed complaint and issued summons.
	20		Mailed notice to Commissioner of Patents, Washington 25, D. C. (Clerk)
June	4	2	Filed notice & motion by deft. to dismiss. June 9, 1958.
	4	3	Filed memo. of deft. in support of motion to dismiss.
	6	4	Filed summons, executed as to both, May 27, 1958.
	9		Ord. motion to dismiss. continued to June 16, 1958. (Harris)
	13	5	Filed memo. by plaintiff in opposition to motion to dismiss.
	16	6	Filed defendant's memo. in opposition of motion to dismiss.
	16		Ord. after hearing motion to dismiss. submitted. (Harris)
	20	7	Filed memo. (letter) of plaintiff.
July	1	8	Filed order denying motion of defendant to dismiss. (Harris)
	1		Mailed copies order to counsel.

DATE
1958

FILINGS—PROCEEDINGS

July	10	9	Filed stip. & ord. ext. time for defts. to plead to Aug. 10, 1958. (Harris)
	10	10	Filed notice & motion by defts. to separately state claims, July 21, 1958.
	10	11	Filed memo. of defts. in support of motion to separately state.
	21		Hearing on motion to separately state claim. Counsel for deft. presented memo. Pltff. granted 7 days to file reply memo and case cont'd. to July 29, 1958 for subm. on motion of deft. to separately state claims. (Harris)
	21	12	Filed memo. of plaintiff in opposition to motion to require separate statements.
	25	13	Filed notice by pltff. of taking depositions of Paul Kalmanovitz & Albert Ralph, Jr.
	28	14	Filed memo. of defts. in support of mo. to sep. state.
	29		Ord. motion of defts. to separately state subm. (Harris)
Aug.	5	15	Filed interrogs. by deft. to plaintiff.
	7	16	Filed stip. & ord. ext. time for defts. to plead to 10 days after denial motion of motion to separately state or 10 days after filing of amended complaint.
	11	17	Filed order denying motion of deft. for separate statement (Wollenberg)(Harris)
	12		Mailed copies order to counsel.

DATE
1958

FILINGS—PROCEEDINGS

Aug. 15	18	Filed stip. & ord. ext. time for plttf. to plead to interrogs. to Sept. 19, 1958 (Wollenberg)
	18 19	Filed answer and counterclaim of defts.
	25 20	Filed stip. & ord. ext. time for plttf. to plead to counterclaim to Sept. 19, 1958 (Goodman)
Sept. 11	21	Filed deposition of Paul Kalmanovitz.
	11 22	Filed " " Albert George Ralphs, Jr. (Aug. 6, 1958)
	16 23	Filed stip. & ord. ext. time for plttf. to plead to interrogs. & counterclaim to Oct. 20, 1958. (Wollenberg)
Oct. 16	24	Filed stip. & ord. ext. time for plttf. to plead to interrogs. to Nov. 3, 1958.
	29 25	Filed stip. & ord. ext. time for plttf. to plead to interrogs. to Nov. 17, 1958
Nov. 17	26	Filed stip. & ord. ext. time for plttf. to plead to interrogs. to Dec. 17, 1958 (Goodman)
Dec. 17	27	Filed reply of plaintiff to counterclaim of deft. Maier Brewing Co.
[fol. 270]	17 28	Filed objections of plaintiff to interrogs. by deft.
	19 29	Filed notice by deft. of objections to interrogs. Jan. 5, 1959.
	29 30	Filed notice by plaintiff of reliance on affidavit of Charles S. White in sup- port of objections to interrogs.

FILINGS—PROCEEDINGS

DATE		
1958		
Dec. 29	31	Filed answer of plaintiff to interrogs. by deft.
1959		
Jan. 5		Ord. objections to interrogs. cont'd. to Jan. 12, 1959 (Burke)
7	32	Filed affidavit of Oscar A. Mellin in support of motion for prod. & Insp.
7	33	Filed notice by deft. of motion for prod. & insp. Jan. 12, 1959.
9	34	Filed memo. of deft. in opposition to objections of plaintiff to interrogs.
12		Ord. motion for prod. & insp. cont'd. to Jan. 26, 1959; on objections to interrogs. counsel to prepare formal order. (Burke)
12	35	Filed further answers of plaintiff to interrogs. by deft.
12	36	Filed reply memo. of plaintiff in support of objections to interrogs.
12	37	Filed suppl. memo. of defts. on objections to interrogs.
20	38	Filed order re: objections of plaintiff to interrogs. by deft. (Burke)
26		Ord. after hearing motion for prod. & insp. granted and counsel to prepare formal order. (Burke)
30	39	Filed order for prod. & insp. (Burke)
April 8	40	Filed statement of counsel for plaintiff reproduction of documents.

DATE
1959

FILINGS—PROCEEDINGS

May	7	41	Filed notice by plttf. of taking deposition of C. H. Moisman & issued subp.
	11	42	Filed notice by plaintiff of taking deposition of C. H. Moisman (no subp)
	12	43	Filed deposition subp. executed as to C. H. Mosiman.
Aug.	14	44	Filed notice & motion by James Buchanan & Co. Ltd. to intervene as plaintiff, Aug. 24, 1959 with supporting memo. & copy of complaint intervention
	24		Ord. after hearing motion of James Buchanan & Co. Ltd. to intervene as plttf. granted on condition certificate of readiness be filed by plaintiff not later than Nov. 1, 1959 and case set for trial before Dec. 31, 1959. (Goodman)
	25	45	Filed complaint of James Buchanan & Company in intervention.
Sept.	8	46	Filed answer of defts. to complaint in intervention
	14	47	Filed interrogs. by defendants to James Buchanan & Co.
Sept.	14	48	Filed suppl. interrogs. by defendants to plaintiff.
	24	49	Filed stip. & order ext. time for plaintiff to plead to suppl. interrogs. by deft. to Oct. 5, 1959 and plttf. in intervention to Oct. 15, 1959 to plead to interrogs. by deft. (Harris)

DATE
1959

FILINGS—PROCEEDINGS

Sept. 25	50	Filed stip. & ord. ext. time for plaintiff to plead to interrogs. to Oct. 15, 1959 and plttf. in intervention to Oct. 15, 1959 to plead to interrogs. by deft. (Harris)
[fol. 271] Oct. 5	51	Filed notice by plaintiff of taking deposition of Duke Molner.
13	52	Filed interrogs. by plaintiff to Maier Brewing Co.
13	53	Filed interrogs. by plaintiff to Ralphs Grocery Co.
15	54	Filed 2nd stip. & ord. ext. time for Buchanan & Co. to answer interrogs. by deft. to Nov. 6, 1959. (Harris)
29	55	Filed stip. & ord. ext. time for Maier Brewing & Ralphs Grocery to plead to interrogs. to Nov. 30, 1959. (Harris)
Nov. 9	56	Filed stip. & ord. ext. time for plttf. to answer interrogs. to Dec. 7, 1959. (Burke)
13	57	Filed deposition of Duke Molner
Dec. 2	58	Filed stip. & ord. ext. time for defts. to plead to interrogs. by plttf. to Dec. 18, 1959. (Burke)
16	59	Filed answer of Ralphs Grocery to interrogs. by plaintiff.
16	60	Filed answer and objections of Maier Brewing Co. to interrogs. by plaintiff.

DATE
1959

FILINGS—PROCEEDINGS

Dec.	16	61	Filed memo. of Maier Brewing Co. in support of objections to interrogs.
	16	62	Filed notice by defts. of objections to interrogs. Dec. 21, 1959.
	21	63	Filed stip. & ord. continuing objections to interrogs. to Jan. 4, 1960. (Sweigert)
	21	64	Filed memo. of deft. in support of motion for prod. & insp.
	31	65	Filed plttfs. suppl. interrogs. to deft. Maier Brewing Co.

1960

Jan.	4		Ord. objections to interrogs. cont'd. to Jan. 18, 1960 (Goodman)
	4	66	Filed stip. & ord. withdrawing interrogs 2(c), 7, 8, 12(c) and 14(c) (Carter)
	8	67	Filed answer of James Buchanan & Co. to interrogs. by deft.
	18		Ord. objns. to interrogs. off cal. (Goodman)
	20	68	Filed answer of plaintiff to suppl. interrogs. by defts.
	20	69	Filed answer of Maier Brewing to suppl. interrogs. by plaintiff.
	25	70	Filed deposition of Charles H. Moisiman.
Oct.	11		Mailed notice dism. cal. Oct. 18, 1960
	18		Ord. cont'd 30 days to be set. (Carter)

DATE

FILINGS—PROCEEDINGS

1960

- Nov. 16 71 Filed notice by plaintiff to set Nov. 28, 1960, with cert. of readiness.
- 21 Ord. mo. to be set for Nov. 28, 1960, filed Nov. 16, 1960, off cal. (Carter)
- 28 Ord. case for trial Jan. 11, 1961. (Harris)
- Dec. 2 72 Filed stip. by plaintiff Fleischmann Distilling, James Buchanan & Co. and Maier Brewing regarding certain paragraphs of complaint and certain interrogatories.

1961

- Jan. 11 Ord. case now on trial for Jan. 11, 1961 cont'd to Mar. 1, 1961 for trial (Wollenberg)
- 11 73 Filed stip. that photostat or soft copies of US and State of Calif. trademarks may be used in lieu of originals; reproductions of pages of telephone directories may be used in lieu of originals.
- [fol. 272]
Mar. 1 Ord. to Judge Harris for trial this date. (Wollenberg)
- Court trial, evidence & exhibits introduced, memos to be filed 20-15-5 days, case con't to April 11, 1961 for subm. (Harris)
- 1 74 Filed brief by Deft of law to be relied upon at trial.
- 21 Ord. time for Maier to file Memo extended 10 days, case cont'd to April 24 for Submission. (Harris)

DATE
1961

FILINGS—PROCEEDINGS

Apr.	4	75	Filed opening brief, by plttf.
	24	76	Filed Deft's reply brief.
	24		Ord contd to May 8, 1961 for submission. (Harris)
May	8		Ord contd to May 15, 1961 for submission. (Harris)
	9	77	Filed reply brief by plttf.
	11		Ord contd to May 22, 1961 for submission. (Harris)
	22		Ord cause stand submitted. (Harris)
	26	78	Filed notice & Motion by Plttf. to vacate submission and to reopen case for further evidence on June 5, 1961 at 9:30 AM.
	26	79	Filed Memo by Plttf in support of mo to vacate submission and to reopen case for further evidence.
	26	80	Filed affidavit of Bailey Lang in support of mo to vacate submission an to reopen case for further evidence.
Jun.	2	81	Filed memo by Deft in opposition to Plttfs mo to vacate submission and to reopen case for further evidence.
June	5		Hearing on Mo. to vacate submitted. . Arg. heard mo. <i>denied</i> . (Harris)
	9	82	Filed Stip. of facts and order Denying Plttf's mo to vacate the submission and to reopen case for further evidence. (Harris)

DATE
1961

FILINGS—PROCEEDINGS

Aug. 28	83	Filed memo opinion and order. Pltff's prayer for an injunction and damages is denied. Deft's to prepare findings & conclusions and decree. (Harris)
	28	Copies mailed to Counsel.
Sep. 22		Lodged proposed finding of fact & Conclusions, by Defts.
	22	Lodged proposed judgment, by Deft.
	26 84	Filed suggested amendments to findings of fact and conclusions by Pltff.
Oct. 2	85	Filed objections by Defts. to suggested amendments to findings of fact & conclusions proposed by the Defts.
	6 86	Filed Findings of fact and conclusions. (For Defendants vs Fleischmann Distilling Corp. and Cost of suit. (Harris.)
	9 87	Entered Decree Judgment, filed Oct. 6, 1961, for Defendant vs Fleischmann Distilling Corp., dismissing cause with costs of suit. (Copies mailed. (Harris)
	9	Mailed notice to counsel of record.
	12 88	Filed memo bill of costs. (\$82.31)
[fol. 273]		
Oct. 13		Costs taxed at \$82.31. (Clerk)
Nov. 7	89	Filed notice of appeal by Pltffs.
	7 90	Filed cost bond on appeal in the sum of \$250.00 by Pltffs.
	8	Mailed notices to counsel of record.

DATE

FILINGS—PROCEEDINGS

1961

Nov. 15 91 Filed designation of record on appeal by pltffs.

Dec. 14 92 Filed Reporter's trans. proceedings of trial March 1, 1961.

15 Prepared & docketed record on appeal.

1963

Jul. 15 93 Filed copy of judgment of Court of Appeals reversing judgment of the District Court and remanding to the said District Court with directions to enter judgment in accordance with the opinion of this Court. The question of Pltffs' right to an accounting, remains for decision by the District Court. Appellants to recover costs from appellees. (Copy of opinion attached.) Cost allowed in Court of Appeals:

US Dist. Ct. Clerk's Fee:

Notice of appeal \$ 5.00

Cost Bond—Premiums 20.00

Reporter's Fee:

Transcript 111.15

Docket Fee in Court of appeal 25.00

Cost of printing record 1,011.51

Clerk's Fee: Rule 17 49.00

Notarial Fee for bill of costs .50

Total amount of costs taxed in judgment \$1,222.16

DATE
1963

FILINGS—PROCEEDINGS

Aug. 1 94

Filed notice & Motion by plttfs. The Fleischmann Distilling Corp and James Buchanan & Co. Ltd. for entry of judgment, Aug. 8, 1963, 10:00 A.M. before Judge Harris, with copy of proposed judg. attached.

1

Ord cal for Aug 8, 1963 on mo for entry of judgment. (Harris)

2

Ord cont'd to Aug 16, 1963 on mo for entry of judgment. (Harris)

14 95

Filed objections of defts. to proposed judgment submitted by plttf. together with memo. in support and proposed findings, conclusions & judgment, by defts.

14 96

Filed memo. of plaintiffs concerning proposed judgment by defts.

16

Ord, aft hrg, deft to have 20 days for a responsive memo, plttf is to have 10 days for a closing memo, and case cont'd to Sept 16, 1963 for submission of mo for entry of judgment.

(Harris)

Sep. 3 97

Filed reply memo to defts' memo concerning proposed judgment attorneys' fees and accounting.

[fol. 274]

Sep. 13 98

Filed memo by plttfs, respecting the award of attys fees and an accounting.

13 99

Filed Plttf's memo, dated Aug. 16, 1963, respecting the award of attys' fees and an accounting.

DATE

FILINGS—PROCEEDINGS

1963

Sep. 16

Ord, aft hrg, mo for entry of judgment stand, submitted. (Harris)

18

Ord fur arg on mo for entry of judgment to Oct 22 off Cal. (Harris)

1964

Jan. 21

Ord case calendered, Feb. 20, hrg. on atty fees and costs. (Harris)

23 100

Entered Judgment, filed Jan 22, 1964; The Judgment of this Court filed herein on Oct. 9, 1961 is hereby vacated; Judgment for the Plaintiff vs Maier Brewing Co. and Ralphs Grocery Co., defendants, enjoining said defts. from further violations of plttf's trademark "Black & white" on conditions as more fully set out in this judgment; Plttf. to recover costs from defts. incurred in the Court of appeals and in the Dist. Court; Deft. Maier shall recover nothing by virtue of its counterclaim; Pltffs to recover from defts. a reasonable amount of atty's fees & litigation expenses incurred in this Court, The U.S. Court of Appeals, 9th Cir. and the U.S. Court of appeals, hearing on said costs to be held on Thursday, Feb. 20, 1964, 10:30 A.M. to determine the amount; Accounting of defts' profits shall be had with all convenient speed; the Court reserves for fur. consideration the matter of appointing a Special Master, all questions as to amounts of profits, to costs hereafter accruing and the matter of further proceedings herein. (Harris)

FILINGS—PROCEEDINGS

DATE 1964		
Jan.	23	Copies mailed.
	23	Mailed notice of entry of judgment.
	30 101	Filed memo bill of costs by pltffs. (\$253.00)
Feb.	3	Costs taxed at \$253.09
	17	Ord application for attys fees and costs be cont'd to April 9 at 10:30 a.m. (Harris)
	19	Ord application for atty fees and costs cont'd to April 23, 1964 for hrg. (Harris)
	25 102	Filed return on service of copy of judgment as to Ralph Grocery Co. by serving Norman Peterson, Controller and as to Maier Brewing Co. by Serving Paul Kalmanority, Pres. on February 5, 1964.
[fol. 275]		
Apr.	2 103	Filed report of defendants pursuant to judgment
	16 104	Filed affidavit of Porter R. Chandler, with exhibit A attached.
	23	Ord., aft hrg, issue of attys fees to stand submitted. (Harris)
	30 105	Filed order allowing pltff. attorney fees and costs. (Harris)
May	1	Copies mailed to Pltff's. & Deft's. Attys.
	5 106	Filed Ltr. memo of pltff. on determination of amount of attorney fees, dated Apr. 24, 1964.
	5 107	Filed application by pltffs. for taxation of costs and memo cost bill. (\$2,152.79)

DATE
1964

FILINGS—PROCEEDINGS

May 19	108	Filed substitution of attorneys J. Albert Hutchison for Maier Brewing Co. & Ralphs Grocery Co. in place of Murray M. Chotiner
	21 109	Filed notice of appeal by defendants from order allowing attorney fees and costs
	21 110	Filed cost bond on appeal
	22	Mailed notice of appeal
	27 111	Filed notice of defts. & request to prepare reporter's transcript.
Jun. 15	112	Filed notice of withdrawal of Mellin, Hanscom & Hursh, Oscar A. Mellin and Carlisle M. Moore, as attys for defts. (So ordered: Sweigert)
Jul. 1	113	Filed stip. for ext. of time to file desig. of record on appeal.
	6 114	Filed order, on stip., ext. time for defts. to file designation of record on appeal, to & including July 31, 1964. (Harris)
	13 115	Filed reporters transcript of motion for attorney fees & costs April 23, 1964
	30 116	Filed designation of record on appeal.
	31 117	Filed order ext. time to file record & docket; appeal to & including August 19, 1964. (Copies mailed) (Wollenberg)
	31 118	Filed reporters transcript of hearing on motion for entry of judgment Aug. 16, 1963
Aug. 3	119	Filed designation of additional portions of record

[fol. 276]

IN THE UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

No. 20748 (19486)

MAIER BREWING COMPANY, a corp., et al., Appellants,

vs.

THE FLEISCHMANN DISTILLING CORP., JAMES BUCHANAN
& Co., LTD., Appellees.

[fol. 277] Before: Pope, Browning and Duniway, Circuit
Judges.

MINUTE ENTRY OF ORDER OF SUBMISSION—April 8, 1965

This cause coming on for hearing, J. Albert Hutchinson,
argued for the appellant, and Richard Haas, argued for
the appellee, thereupon the Court ordered the cause sub-
mitted for consideration and decision.

[fol. 278]

IN THE UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

No. 19,486

MAIER BREWING COMPANY, a corp., et al., Appellants,

vs.

THE FLEISCHMANN DISTILLING CORP. and JAMES BUCHANAN
& Co., LTD., Appellees.

DIRECTION FOR EN BANC HEARING

The above entitled cause on April 8, 1965, was submitted
to a division of the court consisting of Circuit Judges Pope,
Browning and Duniway.

The position of the appellants questions, with respect to attorney fees, the holdings in our cases of *Wolfe v. National Lead Co.*, 272 F.2d 867, and *National Van Lines v. Dean*, 237 F.2d 686.

The three judges to whom the case was originally assigned have requested that the submission of the case be vacated and that it be heard en banc.

All active judges have acceded to the request of the division. Therefore, the order of submission of April 8, 1965, is vacated and the case will be heard en banc.

The clerk will calendar the case at an appropriate time.

Richard H. Chambers, Chief Judge.

[fol. 279]

IN THE UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

Before: Chambers, Barnes, Hamley, Jertberg, Merrill, Koelsch, Browning, Duniway and Ely, Circuit Judges.

MINUTE ENTRY OF ORDER OF SUBMISSION—January 13, 1966

This cause coming on for hearing, J. Albert Hutchinson, argued for the appellant, and Gregory A. Harrison, argued for the appellee, thereupon the Court ordered the cause submitted for consideration and decision.

[fol. 280]

IN THE UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

No. 19,486

MAIER BREWING COMPANY, a corporation, and RALPHS
GROCERY COMPANY, a corporation, Appellant,

vs.

THE FLEISCHMANN DISTILLING CORPORATION, a corporation,
and JAMES BUCHANAN & COMPANY LIMITED, Appellee.

ORDER DISMISSING THE APPEAL AS PREMATURELY BROUGHT
—Filed January 14, 1966

On Appeal from the United States District Court for the
Northern District of California, Southern Division.

BEFORE THE COURT EN BANC.

The appeal is dismissed as prematurely brought.

If the district court should be disposed to issue a certificate under 28 U.S.C. 1292(b), this court en banc is disposed to accept a new appeal as an interlocutory appeal under said section.

In such event the court is prepared to use the record and briefs in this case, and to submit the case en banc for decision without further oral argument.

Judge Browning did not participate in the above order.

[File endorsement omitted]

[fol. 281]

IN THE UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

No. 19,486

MAIER BREWING COMPANY, etc. et al., Appellants,

vs.

THE FLEISCHMANN DISTILLING CORP., etc. et al., Appellees.

JUDGMENT—Filed and Entered January 14, 1966

Appeal from the United States District Court for the Northern District of California, Southern Division.

This Cause came on to be heard on the Transcript of the Record from the United States District Court for the Northern District of California, Southern Division, and was duly submitted.

On Consideration Whereof, It is now here ordered and adjudged by this Court, that the appeal in this Cause be, and hereby is dismissed, as prematurely brought.

Filed and entered January 14, 1966.

[fol. 282]

IN THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

No. 19,486

MAIER BREWING COMPANY, a corporation, and RALPHS
GROCERY COMPANY, a corporation, Appellants,

vs.

THE FLEISCHMANN DISTILLING CORPORATION, a corporation,
and JAMES BUCHANAN & COMPANY LIMITED, Appellees.

APPLICATION FOR LEAVE TO APPEAL FROM ORDER ALLOWING
ATTORNEY FEES AND COSTS—Filed January 27, 1966

Defendants Maier Brewing Company and Ralphs Grocery Company, in the above-entitled action, presently pending in the United States District Court, Northern District of California, Southern Division, and therein numbered Civil No. 37340, respectfully apply to the Court for an order granting leave to defendants to appeal and to file a notice of appeal from Order Allowing Attorney Fees and Costs filed April 30, 1964.

Leave to appeal from said Order Allowing Attorney Fees and Costs is respectfully sought upon the ground that the order involves a controlling question of law as to which there is substantial ground for difference of opinion and that an immediate appeal from the order may materially [fol. 283] advance the ultimate termination of the litigation and disposition of further proceedings in the action presently pending and involving the same and related questions of law.

[File endorsement omitted]

Reference is made to the order of the Court filed January 14, 1966, reading in relevant part, as follows:

"BEFORE THE COURT EN BANC.

"The appeal is dismissed as prematurely brought.

"If the district court should be disposed to issue a certificate under 28 U.S.C. 1292(b), this court en banc is disposed to accept a new appeal as an interlocutory appeal under said action.

"In such event the court is prepared to use the record and briefs in this case, and to submit the case en banc for decision without further oral argument."

Conforming to the foregoing order of the Court, defendants respectfully request that, in the event the order for leave to appeal from said Order Allowing Attorney Fees and Costs be granted by the Court, that the appeal be submitted in accordance with the concluding paragraph of the order of the Court as set forth in the above quotation.

Reference is also made to the Certificate of the United States District Court pursuant to Title 28 U.S.C. 1292(b).

Dated: January 20, 1966.

Respectfully submitted,

J. Albert Hutchinson, Attorney for defendants and appellants Maier Brewing Company and Ralphs Grocery Company.

[fol. 284]

IN THE UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA
 SOUTHERN DIVISION
 Civil Action No. 37340

THE FLEISCHMANN DISTILLING CORPORATION,
 a corporation, Plaintiff,

vs.

MAIER BREWING COMPANY, a corporation, and
 RALPHS GROCERY COMPANY, a corporation, Defendants.

JAMES BUCHANAN & COMPANY LIMITED,
 Plaintiff in Intervention,

vs.

MAIER BREWING COMPANY, a corporation, and RALPHS
 GROCERY COMPANY, a corporation; Defendants in Inter-
 vention.

CERTIFICATE OF UNITED STATES DISTRICT COURT UNDER
 TITLE 28 U.S.C. 1292 (b), IN RESPECT TO ORDER ALLOW-
 ING ATTORNEY FEES AND COSTS—Filed January 25, 1966

The Court hereby certifies that the Court is of the opin-
 ion that the Order Allowing Attorney Fees and Costs in
 the above-entitled action, filed April 30, 1964, involves a
 [fol. 285] controlling question of law as to which there is
 substantial ground for difference of opinion and that an

[File endorsement omitted]

immediate appeal from the order may materially advance the ultimate termination of the litigation.

Dated: January 24, 1966.

George B. Harris, Chief Judge.

Receipt of a copy of the foregoing certificate, as proposed to the Court by defendants is hereby acknowledged this 21 day of January, 1966, and the same is hereby approved as to form.

Moses Lasky, Richard Haas, Brobeck, Phleger & Harrison, By: Moses Lasky, Attorneys for Plaintiffs.

[fol. 286]

IN UNITED STATES COURT OF APPEALS

RE: MAIER BREWING COMPANY et al.,

v.

FLEISCHMANN DISTILLING CO^{RP.}, Undocketed.

ORDER—Filed February 10, 1966

The district court having issued a certificate under 28 U.S.C. 1292(b) for an interlocutory appeal, after consideration thereof, it is by the United States Court of Appeals for the Ninth Circuit Ordered that an interlocutory appeal from the order of the United States District Court for the Northern District of California dated April 30, 1964, allowing attorney fees and costs (Case No. 37,340) is authorized.

It Is Further Ordered that the case will be heard en banc without further briefs and oral arguments, and that the court will use the briefs and record in its case No. 19,486. Such small supplemental record as is required may be filed.

Richard H. Chambers, Circuit Judge.

[File endorsement omitted]

[fol. 287]

IN THE UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SOUTHERN DIVISION

Civil Action No. 37340

THE FLEISCHMANN DISTILLING CORPORATION,
a corporation, Plaintiff,

vs.

MAIER BREWING COMPANY, a corporation, and
RALPHS GROCERY COMPANY, a corporation, Defendants.

JAMES BUCHANAN & COMPANY LIMITED,
Plaintiff in Intervention,

vs.

MAIER BREWING COMPANY, a corporation, and RALPHS
GROCERY COMPANY, a corporation, Defendants in Inter-
vention.

NOTICE OF APPEAL FROM INTERLOCUTORY ORDER—
Filed February 16, 1966

To the Clerk of the Above-Entitled Court:

To the Plaintiffs Above Named and to Moses Lasky,
Esquire and Richard Haas, Esquire of Brobeck, Pheleger
& Harrison, Their Attorneys:

You and Each of Will Please Take Notice that defen-
dants intend to, and they do hereby, appeal to the United
[fol. 288] States Court of Appeals for the Ninth Circuit,

[File endorsement omitted]

from that certain interlocutory order allowing attorney fees and costs in the above-entitled proceeding, in favor of plaintiffs against defendants, and made and entered in the above-entitled Court on the 30th day of April, 1964, and from each portion and the whole thereof.

Dated this 20th day of January, 1966.

J. Albert Hutchinson, Attorney for Defendants
Maier Brewing Company and Ralphs Grocery
Company.

Receipt of a copy of the foregoing document is hereby acknowledged this 21 day of January, 1966.

Moses Lasky, Richard Haas, Brobeck, Phleger & Harrison, By: Moses Lasky, Attorneys for Plaintiffs.

[fol. 289]

IN UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

Before: Chambers, Barnes, Hamley, Jertberg, Merrill, Koelsch, Browning, Duniway and Ely, Circuit Judges.

MINUTE ENTRY OF ORDER DIRECTING FILING OF OPINION AND FILING AND RECORDING OF JUDGMENT—March 16, 1966

Ordered that the typewritten opinion this day rendered by this Court in above cause be forthwith filed by the Clerk and that a judgment to be filed and recorded in the minutes of this Court in accordance with the opinion rendered.

[fol. 290]

IN THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

No. 20,748

MAIER BREWING COMPANY, a Corp., et al., Appellants,
vs.

THE FLEISCHMANN DISTILLING CORP., Appellee.

MAIER BREWING COMPANY, a Corp., et al., Appellants,
vs.

JAMES BUCHANAN & Co., LTD., Appellee.

Appeal from the United States District Court for the
Northern District of California Southern Division

Before: Chambers, Barnes, Hamley, Jertberg, Merrill,
Koelsch, Browning, Duniway and Ely, Circuit Judges

OPINION—March 16, 1966

Duniway, Circuit Judge:

Following this court's decision in *Fleischmann Distilling Corporation v. Maier Brewing Company*, 1963, 314 F.2d 149, the district court entered judgment pursuant to our mandate enjoining Maier Brewing Company from distributing, selling or offering for sale any alcoholic beverage labeled or named with the words "Black & White" not blended and bottled by James Buchanan & Company Limited. The judgment further recited that the plaintiffs (Fleischmann Distilling Corporation and James Buchanan & Company Limited) were entitled to recover from defen-

[fol. 291] dants (Maier Brewing Company and Ralphs Grocery Company) a reasonable amount for attorneys' fees and litigation expenses incurred in this suit in the district court, in the United States Court of Appeals, and in the United States Supreme Court, and fixed the time for hearing to determine the amount of such fees and expenses. Thereafter a hearing was held at which evidence on behalf of all parties was received, and the district court, on April 30, 1964, entered an order awarding plaintiffs, as attorneys' fees, the sum of \$60,000 and further sums by way of costs. Appellants have now appealed from that order.

Their first appeal, our No. 19,486, was held by us to be premature, the order not being a final judgment. The trial court then made its certificate, pursuant to 28 U.S.C. § 1292(b), that the order involves a controlling question of law as to which there is substantial ground for difference of opinion and that an immediate appeal from the order may materially advance the ultimate termination of the litigation. We granted leave to appeal and the matter is now before us for decision on the merits.¹

It is contended that it was error for the district court to award any amount by way of attorneys' fees and litigation expenses and that, in any event, the amount awarded was excessive and not warranted by the record.

Two decisions of this court appear to support such an award: *National Van Lines v. Dean*, 9 Cir., 1956, 237 F.2d 688 and *Wolfe v. National Lead Co.*, 9 Cir., 1959, 272 F.2d 867. *Wolfe* is in point here and relies on *National Van Lines*, but we are of the opinion that, insofar as these cases can be said to relate to an award of attorneys' fees in an action for trademark infringement under the Lanham Act (15 U.S.C. §§ 1051 ff.) they, or at least *Wolfe*, should be overruled.

¹ The merits were fully argued on the first appeal. We ordered that the matter be submitted, without further argument, upon the briefs and record on file.

National Van Lines was a case in which the plaintiff asserted three grounds for relief; infringement of a registered service mark, unfair competition, and breach of contract. The first rested upon federal law, the other two upon the law of California and diversity jurisdiction. The [fol. 292] trial court entered judgment for the defendant. This court reversed, holding that the findings as to unfair competition were clearly erroneous, confining its decision to that ground, and further holding that monetary damages had not been proved, but that an injunction should issue. The opinion concludes as follows (p. 694):

"We make one exception from the ruling just announced. Since we have found appellee's acts to have been willful and calculated to trade upon appellant's good will, the latter is entitled to recover its actual and reasonable attorney's fees incurred in this litigation."

* * * * *

"8. *Aladdin Mfg. Co. v. Mantle Lamp Co.*, 7 Cir., 116 F.2d 708; *Admiral Corp. v. Penco*, 2 Cir., 203 F.2d 517; *Keller Products, Inc. v. Rubber Linings Corp.*, 7 Cir., 213 F.2d 382, 47 A.L.R.2d 1108."

It will be noted that no consideration was given to whether the award of attorney's fees rested upon state law or upon federal law.

Wolfe cites and follows *National*. In that case, as here, there were two appeals. The action began as one for a declaratory judgment that *Wolfe's* use of a trademark did not infringe National Lead Company's registered mark. National Lead counterclaimed for infringement, a federal claim, and for unfair competition, a state claim. *Wolfe* prevailed in the trial court. We reversed, 1955, 223 F.2d 195, holding that the mark "was one entitled to full protection both under the rules of the common law and under the federal acts" (p. 200). We relied specifically upon the Lanham Act (15 U.S.C. §§ 1051 ff.) As in *National Van*

Lines, we held that the trial court's findings were clearly erroneous. (p. 201) We further held that Wolfe's "continued use of these names and the passing off of their products thereunder was intentionally false and misleading and done with a purpose on their part of deceiving prospective purchasers." (p. 202) We concluded that there was both trademark infringement and unfair competition under California law. (p. 205) We remanded with directions to dismiss Wolfe's complaint, to grant National Lead an injunction, to take an account of Wolfe's profits, and to determine National Lead's damages.

[fol. 293] Thereafter, the trial court took an accounting and entered a judgment for damages and attorney's fees. It made findings as to intentional infringement consistent with the views stated by us in our first opinion. On Wolfe's appeal, we affirmed (272 F.2d 867). As to the award of attorney's fees, we said (p. 873):

"Finally Wolfe assigns as error the inclusion in the judgment of an allowance to appellee for counsel fees. In the light of the judicial determination that the infringement was deliberate and fraudulent, this allowance was proper. *National Van Lines v. Dean*, 9 Cir., 1956, 237 F.2d 688, 694."

The course of the present litigation is similar to that in *Wolfe*. The complaint was based upon both trademark infringement and unfair competition. Judgment was for the defendant Maier. We reversed. Our decision was based solely on the Lanham Act. (See 314 F.2d at 151-52) We said:

"We cannot conclude but that Maier deliberately adopted the name knowing that Black & White was the name and trademark of Buchanan and they must have done so with some purpose in mind. The only possible purpose could have been to capitalize upon the popularity of the name chosen. This popularity, they

must have known would extend to their product because the public would associate the name Black & White with something old and reliable and meritorious in the way of an alcoholic beverage." (314 F.2d at 157)

• • • • "But when the evidence does show or require the inference that another's name was adopted deliberately with a view to obtain some advantage from the good will, good name, and good trade which another has built up, then the inference of likelihood of confusion is readily drawn, for the very act of the adopter has indicated that he expects confusion and resultant profit." (314 F.2d at 158)

The judgment of the district court, entered pursuant to our mandate, found and concluded as follows: "Without seeking legal advice, and for the purpose of capitalizing upon the popularity of the name thus chosen, defendant Maier deliberately adopted the name 'Black & White' knowing that 'Black & White' was the name and trademark of plaintiff Buchanan, and knowing that this popularity would [fol. 294] extend to its product because the public would associate the name 'Black & White' with the long established reliability and meritoriousness of Buchanan's product. Defendants intended to adopt plaintiff Buchanan's 'Black & White' name or mark for the purpose of taking advantage of the aura of good will which surrounded the name, and they deliberately adopted the name with a view to obtaining advantage from the good will, good name and good trade which Buchanan had built up and expecting that there would be confusion and resultant profit. Defendants refused to discontinue their use on beer of the name 'Black & White' upon request made before suit filed, and they have knowingly, wilfully and deliberately infringed the said mark 'Black & White' and plaintiffs' rights therein."

We might distinguish *National Van Lines* on the ground that it rests upon California law of unfair competition. *Wolfe*, however, is expressly grounded on the Lanham Act

and on *National Van Lines*, which does not differentiate, so far as attorney's fees are concerned, between the two grounds. Thus *Wolfe* is authority for the award here made, and it makes *National Van Lines* an authority on the same question. We must either follow them, limit or overrule them.

We start with the long established principle that a successful party cannot, in an ordinary action at law or in equity, recover his attorney's fees incurred in the action, unless such recovery is provided for by statute or contract. It makes no difference whether such a recovery be denominated costs or damages or something else. This has long been the rule in the federal courts,² and in the courts of [fol. 295] California.³ This court has recognized and applied the rule.⁴ And we note particularly that the rule has been applied by the Supreme Court in patent cases. (*Tesse v. Huntingdon*, *supra*, fn. 2, *Philp v. Nock*, *supra*, fn.2)

² *Arcambel v. Wiseman*, 1796, 3 U.S. (3 Dallas) 306; *Day v. Woodworth*, 1851, 54 U.S. (13 How.) 363, 370-72 (trespass); *Tesse v. Huntingdon*, 1859, 64 U.S. (23 How.) 2, 8-9 (patent infringement); *Oelrichs v. Spain*, 1872, 82 U.S. (15 Wall.) 211, 230-31 (damages under injunction bond); *Flanders v. Tweed*, 1872, 82 U.S. (15 Wall.) 450, 452-53 (trover); *Philp v. Nock*, 1873, 84 U.S. (17 Wall.) 460 (patent infringement); *Stewart v. Sonneborn*, 1878, 98 U.S. 187, 197 (malicious prosecution). See also: *Missouri Pacific Ry Co. v. Larrabee*, 1914, 234 U.S. 459; *Tullock v. Mulvane*, 1902, 184 U.S. 497; *Rude v. Buchhalter*, 1932, 286 U.S. 451, 459-61 (claimant to fund denied fees; stockholder allowed fees from fund).

³ *Griggs v. Board of Trustees*, 1964, 389 P.2d 722; 37 Cal. Rptr. 194, 61 Cal.2d 93; *Prentice v. North Am. Title Guaranty Corp.*, 1963, 381 P.2d 645, 30 Cal. Rptr. 821, 59 Cal.2d 618. There are a multitude of California decisions to the same effect.

⁴ *Mutual Ben. Health & Accident Ass'n. v. Moyer*, 9 Cir., 1938, 94 F.2d 906. There are a great many decisions of the courts of appeals to the same effect. See 20 West's Federal Digest, Costs, § 172; 12 West's Modern Federal Practice Digest, costs, § 172; 27 West's Federal Digest, Damages, §§ 70-72; 19 West's Modern Federal Digest, Damages, §§ 70-72.

• The rule is stated in *Oelrichs v. Spain*, 1872, 82 U.S. (15 Wall.) 211, 231:

"In debt, covenant and assumpsit damages are recovered, but counsel fees are never included. So in equity cases, where there is no injunction bond, only the taxable costs are allowed to the complainants. The same rule is applied to the defendant, however unjust the litigation on the other side, and however large the *expensa litis* to which he may have been subjected. The parties in this respect are upon a footing of equality. There is no fixed standard by which the *honorarium* can be measured. Some counsel demand much more than others. Some clients are willing to pay more than others. More counsel may be employed than are necessary. When both client and counsel know that the fees are to be paid by the other party there is danger of abuse. A reference to a master, or an issue to a jury, might be necessary to ascertain the proper amount, and this grafted litigation might possibly be more animated and protracted than that in the original cause. It would be an office of some delicacy on the part of the court to scale down the charges, as might sometimes be necessary.

"We think the principle of disallowance rests on a solid foundation, and that the opposite rule is forbidden by the analogies of the law and sound public policy."

There is no provision for the recovery of attorney's fees in the Lanham Act. Yet Congress has known how to provide for such a recovery when it wished to do so. It has so provided in patent cases (35 U.S.C. § 285), limiting the right to "exceptional cases." It has made similar provision in the field of copyright. (17 U.S.C. § 116; 1(e).) Patent and copyright infringement suits are in many ways similar to trademark infringement cases, yet Congress has not provided for attorney's fees in trade

mark cases. We can hardly say that this was inadvertent,⁵ and that the courts should fill the gap by establishing, contrary to the usual rule, a right that Congress has not conferred.

Moreover, Congress has provided a different means whereby parties injured by trademark infringement can be compensated when it is difficult or impossible to prove actual pecuniary loss. Section 1117 of Title 15, U.S.C. provides for the recovery of defendant's profits, plaintiff's damages, and costs. It then provides:

"In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case. Such sum in either of the above circumstances shall constitute compensation and not a penalty."

Having given the court so broad an authority to award damages in excess of those proved, the Congress may well have felt—as we do—that it would be piling Pelion on

⁵ There are many other statutes, most of them of a regulatory character, in which Congress has provided for the recovery of attorney's fees, usually as an incentive to the injured party to aid in the enforcement of the Act, e.g., Antitrust laws, 15 U.S.C. §§ 15, 72; Acts dealing with the regulation of securities, securities dealers, trust indentures, etc., 15 U.S.C. §§ 77k(e), 77ooo(e), 77www(a), 78i(e); Interstate Commerce Commission Act, 49 U.S.C. § 16(2); Perishable Agricultural Commodities Act, 7 U.S.C. § 499g(b); Packers and Stockyards Act, 7 U.S.C. § 210(f); Water Carriers, 49 U.S.C. § 908(b); see also 28 U.S.C. §§ 1346(b), 2678, relating to the Federal Tort Claims Act; 22 U.S.C. § 1623(f) and 50 U.S.C. App. § 1985—international and Japanese evacuation claims. See Note 8 L. Ed.2d 894 at pp. 922, 32.

[fol. 297] Ossa to provide for attorney's fees as well.* Neither the Copyright Act (17 U.S.C.) nor the patent law (35 U.S.C.) contains a similar provision. If attorney's fees can be awarded in addition to the award permitted by section 1117, there is grave danger of duplication of damages, as a practical matter.* (Cf. *Day v. Woodworth*, 1851, 54 U.S. (13 How.) 363, 372).

Two of the decisions of the Supreme Court cited in footnote 2, *supra*, (*Tesse v. Huntingdon*, and *Philp v. Nock*), seem to us very nearly to compel the result that we reach. Each holds that attorney's fees cannot be recovered in a patent infringement suit. Congress has overruled them in part, by providing for such a recovery "in exceptional cases," and this court has carefully adhered to the limitation imposed by Congress. (*Park-In-Theatres, Inc. v. Perkins*, 9 Cir., 1951, 190 F.2d 137) We can see no such difference between trademark infringement and patent infringement as to justify an award of attorney's fees in the former when Congress has not provided for it. Neither *National Van Lines* nor *Wolfe* considers these cases, or discusses the problem that they pose. They are old cases, but they have never been questioned by the Supreme Court and would presumably still be good law if Congress had not intervened.

It seems clear that, under the standards laid down by us in *Park-In-Theatres, supra*, the award here involved would

* No helpful legislative history has been brought to our attention. It is clear, however, that the Lanham Act—and the preceding trademark laws—have had a great deal of congressional attention. See S. Rep. 1333, p. 6, 79th Cong., 2d Sess. (1946), which gives a summary of bills introduced prior to the Lanham Act. We find no discussion of the question of attorney's fees. Since the adoption of the Act in 1946 (60 Stat. Ch. 540, p. 427 ff.), there have been at least two bills introduced that would have provided for a recovery of attorney's fees (S. 2540, 83rd Cong., 1st Sess., S. Rep. 2266, 83rd Cong., 2d Sess., which passed the Senate but not the House, and H. R. 7734, 84th Cong., 1st Sess., on which no action was taken). This, however, is the weakest kind of legislative history. We do not rely on it.

not be proper even if the Lanham Act contained the same provision for the recovery of attorney's fees as does the Patent Law. Yet here the defendant, whose case was good enough to convince an experienced trial judge that it should win, now finds itself subject to a judgment for over \$60,000 for the plaintiffs' attorney's fees, on the theory [fol. 298] that defendant should not have defended the lawsuit in the first place.

There still remains the question as to whether the authorities supporting an award of attorney's fees in a case like this are so numerous, of such long standing, and so well considered, that we ought not now to announce a contrary rule. We turn, then, to the cases. *National Van Lines* is now nine years old. *Wolfe* cites nothing but *National Van Lines*, and is six years old.⁷ *Wolfe*, we think, is good authority only if *National Van Lines* is. The latter cites three cases, which we now consider.

Aladdin Mfg. Co. v. Mantle Lamp Co., 7 Cir., 1941, 116 F.2d 708, the oldest of the cases, has been on the books for 24 years, and has been cited and relied upon by this and other circuits.⁸ It was a trademark case, under the statutes (former 15 U.S.C. §§ 99, 96) then in force. The opinion covers 7 pages of the Federal Reporter. It deals with an accounting for profits, damages, and exemplary damages. In discussing the latter, it says (p. 717):

⁷ *High Fidelity Recordings, Inc. v. Audio Fidelity, Inc.*, 9 Cir., 1962, 305 F.2d 86 relies primarily on *National Van Lines*. It was an action for unfair competition under California law. It was not a trademark case. We need not consider whether it correctly applied California law.

⁸ *National Van Lines* and *High Fidelity Recordings, Inc.* in this circuit, and *Keller Products, Inc. v. Rubber Linings Corp.*; 7 Cir., 1954, 213 F.2d 382, discussed in this opinion; *United Auto Workers v. American Brake Shoe Co.*, 4 Cir., 1962, 298 F.2d 212, an action under section 301 of the Labor Management Relations Act (29 U.S.C. § 185(a)); *Maternally Yours, Inc. v. Your Maternity Shop, Inc.*, 2 Cir., 1956, 234 F.2d 538, a Lanham Act case; *Century Distilling Co. v. Continental Distilling Corp.*, 3 Cir., 1953, 205 F.2d 140 (case not followed—cited *semble*). We do not list the few District Court actions.

"In the present case, there was direct proof that because of the fraudulent and wilful infringement and unfair competition of appellee, appellant incurred legal expenses aggregating \$18,515.03. Counsel's fees necessitated by the tort have been said in some instances to be recoverable as a part of the compensatory damages and in other cases as a part of exemplary damages. As the master's finding of wilful and fraudulent conduct is sustained by the evidence, this sum was recoverable as compensatory damages and hence properly included in the amount recommended by him."

No authority is cited. The question whether the statute [fol. 299] authorizes the award is not specifically discussed. The decision flies in the face of the cases cited in footnote 2, *supra*. We think that the case has nothing to recommend it as authority on the point before us, except its age, if that be a recommendation.

Admiral Corp. v. Penco, 2 Cir., 1953, 203 F.2d 517, was a trademark case in which the trial court found infringement, granted an injunction, awarded attorney's fees, but denied damages or an accounting for profits. On appeal, this judgment was affirmed. In its opinion, the court discussed jurisdiction, the merits of the case, a motion by defendant for continuance pending certain matters in the patent office, and the right to an accounting. As to attorney's fees, the court said (p. 521):

"The permanent injunction and the counsel fees awarded plaintiff were fully justified."

• • • • •

"Since, however, the plaintiff had to defend in this court to preserve its patently just judgment, it will be awarded appellate costs, together with additional attorney's fees of \$500. *R.F.C. v. J.G. Menihan Corp.*, 312 U.S. 81, 85, 61 S.Ct. 485, 85 L.Ed. 595; *Century Distilling Co. v. Continental Distilling Corp.*, D.C.E.D. Pa., 102 F.Supp. 39."

Again, there is no discussion of whether an award of attorney's fees is proper in a Lanham Act case. The *R.F.C.* case does not touch the question. It holds that costs can be awarded against the R.F.C., a government corporation. *Century Distilling Co.*, a District Court case, refused an award of counsel fees, and Chief Judge Kirkpatrick expressed doubt as to the soundness of *Aladdin* and as to his power to make an award. His decision was affirmed (see footnote 8, *supra*). Of such materials are authorities sometimes constructed.*

Keller Products, Inc. v. Rubber Lining Corp., 7 Cir., 1954, 213 F.2d 382, is the third case cited in *National Van* [fol. 300] Lines. It was an action for trademark infringement and unfair competition. A judgment for the plaintiff, awarding \$1,500 punitive damages and \$1,500 attorney's fees, was modified by striking the award of punitive damages. The court considered the merits at length, and held that punitive damages were not properly awarded because the case was not "an extreme case" of "willful and wanton infringement." As to attorney fees, it said (p. 388):

"The allowance of \$1,500 attorney fees is in a somewhat different category. As pointed out by this court, in the *Aladdin* case, *supra*, 116 F.2d at page 717, 'Counsel's fees necessitated by the tort have been said in some instances to be recoverable as a part of the compensatory damages and in other cases as a part of exemplary damages.' In the case at bar the trial court assessed only a part of the attorney fees incurred by plaintiff in this action. We think the allowance of \$1,500 to cover part of plaintiff's litigation expenses was proper as compensatory damages."

* The writer has an uncomfortable feeling that on occasion he may have done the same thing. *Admiral Corp.*, too, has been cited in other cases; *High Fidelity Recordings, Inc.*, *supra*, fn. 7; *Baker v. Simmons Co.*, 1 Cir., 1963, 325 F.2d 580, which also cites *Wolfe* and *Keller*; *United Auto Workers*, *supra*, fn. 8; *Maternally Yours, Inc.*, *supra*, fn. 8. Again, we do not list District Court citations.

We suggest that this is no better authority than *Aladdin*.¹⁰

National Van Lines has been cited once on the matter of attorney's fees, by another Court of Appeals, in *United Auto Workers, supra*, fn. 8. That case arose under the L M R A; it hardly adds to the stature of *National Van Lines* as authority under the Lanham Act. *Wolfe* has likewise been cited by other Courts of Appeals—in *United Auto Workers, supra*, fn. 8, and in *Baker, supra*, fn. 9.

There are other decisions by Courts of Appeals in accord with *National Van Lines* and *Wolfe*. One is *Maternally Yours, Inc. v. Your Maternity Shop, supra*, fn. 8. Plaintiff there invoked both the Lanham Act and the New Jersey law of unfair competition. Judgment was for the plaintiff on both theories, and an injunction, an accounting for profits, and attorney's fees were awarded. On the attorney fee question, the court said: (234 F.2d at 545)

"Defendant also objects to the inclusion in the interlocutory decree of a provision awarding counsel fees [fol. 301] to the plaintiff. It is now settled that counsel fees may be awarded to the successful litigant in trade-mark infringement cases where there is a finding of fraud. *Keller products, Inc. v. Rubber Linings Corp.*, 7 Cir., 1954, 213 F.2d 382; *Century Distilling Co. v. Continental Distilling Corp.*, *supra*; *Admiral Corp. v. Penco, Inc.*, *supra*; *Aladdin Mfg. Co. v. Mantle Lamp Co.*, 7 Cir., 1941, 116 F.2d 708; *General Motors Corp. v. Circulators & Devices Mfg. Corp.*, D.C.S.D.N.Y., 1946, 67 F. Supp. 745. *Gold Dust Corp. v. Hoffenberg*, 2 Cir., 1937, 87 F.2d 451, which is to the contrary, would appear to have been overruled *sub silentio* by *Admiral Corp. v. Penco, Inc.*, *supra*.

¹⁰ Like *Aladdin* and *Admiral*, *Keller* has progeny. It is cited in *High Fidelity Recordings, Inc.*, *supra*, fn. 7; *Baker, supra*, fn. 9; *United Auto Workers, supra*, fn. 8; *Maternally Yours, Inc.*, *supra*, fn. 8.

We have already commented on *Keller, Admiral* and *Aladdin*, (see *supra*), as well as *Century Distilling* (see fn. 8, *supra*). In *General Motors Corp.*, the judge refused to award attorney's fees, citing *Gold Dust Corp., Maternally Yours* has been cited in *United Auto Workers, supra*, fn. 8. Again we do not discuss district court citations.

Baker v. Simmons Company, supra, fn. 9 was an action for trademark infringement and unfair competition. The Court of Appeals for the First Circuit upheld a large award of attorney's fees, but reversed in other respects. As to the attorney's fees, the court says: (325 F.2d at 583)

"Finally, there is more than sufficient authority for the allowance of counsel fees in Lanham Act actions where the defendant is found guilty of fraud and palming-off. *Wolfe v. National Lead Company*, 272 F.2d 867 (9th Cir. 1959); *Keller Products v. Rubber Linings Corp.*, 213 F.2d 382 (7th Cir. 1954); *Admiral Corp. v. Penco, Inc.*, 203 F.2d 517 (2d Cir. 1953)."

All of the cited cases have been discussed in this opinion. *Baker* has not yet been cited on this point.¹¹

[fol. 302] The reader may have observed a certain circularity in the judicial process by which this line of authority grew up. It began with a rather casual holding, citing no prior authority, in *Aladdin, supra*. That case is then cited and followed, without discussion, by the seventh circuit in *Keller* in 1954, by this court in *National Van Lines* and by the second circuit in *Maternally Yours* in 1956, by the fourth circuit in *United Auto Workers* (a different sort of case) in 1962, and by this court in 1962, in

¹¹ We have quoted above, in each case, everything that each court said about the problem. It will be noted that no case really discusses it. In every case, the court simply made a ruling. Perhaps this is because, in each case, the court devoted most of its attention to the merits, and then passed upon the attorney's fee question as a mere incident, disposing of it in a "clean up" paragraph at or near the end of its opinion.

High Fidelity Recordings, Inc., (*supra*, fn. 7). Meanwhile, in 1953, along comes *Admiral*, again a decision without discussion, not supported by the cases that it cites. Yet it is then cited by this court in *National Van Lines* and *High Fidelity Recordings, Inc.*, by the seventh circuit, in *Keller*, by the fourth circuit in *United Auto Workers*, by the second circuit in *Maternally Yours*, and by the first circuit in *Baker*. The subsequent cases cite such of others as had then been decided. Thus the second circuit could say, in *Maternally Yours*, that "it is now settled," and the first could say, in *Baker*, that there is "more than sufficient authority." Yet in order to say that the question is "settled," the second circuit also had to say that its own contrary prior decision had been "overruled *sub silentio*" by *Admiral*.¹²

That prior decision in *Gold Dust Corporation v. Hoffenberg*, 2 Cir., 1937, 87 F.2d 451. It is the one Court of Appeals opinion that considers the question with any care, and it holds, in substance, and after a rather lengthy analysis of the authorities, that attorney's fees are not recoverable in a trademark infringement case because the statute does not provide for them. This case is not cited in any of the cases, except *Maternally Yours*, that have allowed the award of such fees. It appears to us to be the one real "authority" on the point, and we think that it was correctly decided. It is also interesting, and almost incredible, that none of the other cases even mentions the general rule that attorney's fees are not recoverable, or the specific decisions of the Supreme Court in *Teese v. Huntingdon* and *Philp v. Nock*, *supra*, fn. 2, holding that such fees are not allowable in patent cases. We conclude, then, that the authorities are neither so old nor so [fol. 303] numerous, and particularly that they are not so well considered, as to require that we follow them.

¹² The "*silentio*" in *Admiral* was profound. Not only was *Gold Dust* not cited, the question was not discussed, and the authorities cited do not support the decision.

Appellees cite *Sprague v. Ticonic Bank*, 1939, 307 U.S. 161. There Mr. Justice Frankfurter, speaking of an award of counsel fees, held that:

"Allowance of such costs in appropriate situations is part of the historic equity jurisdiction of the federal courts. The suits 'in equity' of which these courts were given 'cognizance' ever since the First Judiciary Act, constituted that body of remedies, procedures and practices which theretofore had been evolved in the English Court of Chancery, subject, of course, to modifications by Congress, e.g., *Michaelson v. United States*, 266 U.S. 42. The sources bearing on eighteenth-century English practice—reports and manuals—uniformly support the power not only to give a fixed allowance for the various steps in a suit, what are known as costs 'between party and party,' but also as much of the entire expenses of the litigation of one of the parties as fair justice to the other party will permit, technically known as costs 'as between solicitor and client.' To be sure, the usual case is one where through the complainant's efforts a fund is recovered in which others share. Sometimes the complainant avowedly sues for the common interest while in others his litigation results in a fund for a group though he did not profess to be their representative. The present case presents a variant of the latter situation."

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... "As in much else that pertains to equitable jurisdiction, individualization in the exercise of a discretionary power will alone retain equity as a living system and save it from sterility." In the actual exercise of the power to award costs 'as between solicitor and client' all sorts of practical distinctions have been taken in distributing the costs of the burden of the litiga-

tion. . . . In any event such allowances are appropriate only in exceptional cases and for dominating reasons of justice. But here we are concerned solely with the power to entertain such a petition." (Pp. 164-66, 167)

As the foregoing quotation indicates, the case before the Court dealt with a situation in which plaintiff's action re-[fol. 304] dounded to the benefit of others, and it only held that, in such a case, she could be awarded attorney's fees. The language of the opinion, however, does indicate a broader power, and could be used to support the power to award fees such as this.¹³ Here, the suit is for an injunction and damages, and is thus, at least as to the injunctive phase, a suit in equity. But it is in substance an action in tort, and we cannot see anything so peculiarly heinous about this tort as to justify the use of the "historic equity jurisdiction" to award attorney's fees to the plaintiff. We note, too, that in his opinion in *Sprague* Mr. Justice Frank-

¹³ *Sprague* has been frequently cited, but usually in cases having closely analogous facts. *Bakery & Confectionery Workers v. Ratner*, D.C. Cir., 1964, 335 F.2d 691; *Milone v. English*, D.C. Cir., 1962, 306 F.2d 814; *Walsh v. National Savings & Trust Co.*, D.C. Cir., 1957, 247 F.2d 781; *United States v. Anglin & Stevenson*, 10 Cir., 1944, 145 F.2d 622; *O'Hara v. Oakland County*, 6 Cir., 1943, 136 F.2d 152. Fees have been disallowed on its authority when no common fund was created. *Whittier v. Enimet*, D.C. Cir., 1960, 281 F.2d 24; *Carlisle, Brown & Carlisle v. Carolina Scenic Stages*, 4 Cir., 1957, 242 F.2d 259. It has been relied upon in cases involving many small claims, such that, individually they would not justify separate suits. *Bakery & Confectionery Workers v. Ratner*, *supra*; *Rolax v. Atlantic Coast Line R. Co.*, 4 Cir., 1951, 186 F.2d 473; *Schauffler v. United Association of Journeymen*, 3 Cir., 1957, 246 F.2d 867. In two cases it has been cited when the court disallowed claimed items of costs not provided for by statute. *Specialty Equip. & Mach. Corp. v. Zell Motor Car Co.*, 4 Cir., 1952, 193 F.2d 515; *Swan Carburetor Co. v. Chrysler Corp.*, 6 Cir., 1945, 149 F.2d 476. Only one case has cited *Sprague* in a case comparable to the present one, *Carter Prods., Inc. v. Colgate Palmolive Co.*, D. Md., 1963, 214 F. Supp. 383, and that was a patent case, where the statute does provide for the recovery of attorney's fees.

further does not mention any of the cases cited in footnote 2, *supra*, much less either overrule or limit them. He was dealing with a rather special type of situation, and we do not think that this case is of that type.

We hold that attorney's fees are not recoverable in trademark infringement cases under the Lanham Act, primarily because the Congress has not provided for them. We do not think that such cases are among the exceptional ones of which Mr. Justice Frankfurter spoke in *Sprague v. Ticonic Bank, supra*. We do not think that we should create an exception when Congress has legislated so fully in the area, [fol. 305] and has not provided for attorney's fees. We overrule *Wolfe*, to that extent, and limit *National Van Lines* to its actual holding, as to the correctness of which we express no opinion.

Reversed with directions to deny appellee's request for attorney's fees.

[fol. 306]

IN THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

No. 20,748

MAIER BREWING COMPANY, a Corp., et al., Appellants,

vs.

THE FLEISCHMANN DISTILLING CORP., Appellee.

MAIER BREWING COMPANY, a Corp., et al., Appellants,

vs.

JAMES BUCHANAN & Co., LTD., Appellee.

Appeal from the United States District Court for the
Northern District of California, Southern Division.

JUDGMENT—Filed and entered March 16, 1966

This Cause came on to be heard on the Transcript of the
Record from the United States District Court for the North-
ern District of California, Southern Division, and was duly
submitted.

On Consideration Whereof, It is now here ordered and
adjudged by this Court, that the judgment of the said Dis-
trict Court in this Cause be, and hereby is reversed, with
directions to deny appellee's request for attorney's fees.

Filed and entered March 16, 1966.

[fol. 307] Clerk's Certificate to foregoing transcript
(omitted in printing).

[fol. 308]

SUPREME COURT OF THE UNITED STATES

No. 214—October Term, 1966

THE FLEISCHMANN DISTILLING CORPORATION, et al.,
Petitioners,

v.

MAIER BREWING COMPANY, et al.

ORDER ALLOWING CERTIORARI—October 10, 1966

The petition herein for a writ of certiorari to the United States Court of Appeals for the Ninth Circuit is granted, and the case is placed on the summary calendar.

And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.

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